NEWS SUMMARY

GENERAL

OND SCHOOL

to work closer

on arms

Nato defence ministers agreed in CONFUSION reigned among for Brussels to work together more eign bankers yesterday about closely in Europe on arms produc-

It was agreed that the first step would be to harmonise weapon sys-But, ironically, the ministers de-revise the terms of its agreement. cided that co-operation on arms

production as a whole could best take place in a non-Nato body.

More Beirut shelling

Christian and Moslem militia shelled residential districts in the evening after a day of sporadic sniping along the "Green Line" dividing the city centre.

'I feared execution'

Mrs Lyudmilla Miller, wife of British banker Dennis Skinner who fell to his death from an 11th floor Moscow flat, told a Croydon, England, inquest that she feared she could be executed for betraying her home-land. She said that her husband had contacts with the KGB and British intelligence, and that she had "scup-pered" KGB operations.

Touch of capitalism

Chinese Premier Zhao Ziyang advo-cated a touch of capitalism to improve the economy. He also told the National People's Congress that talks with Britain on Hong Kong had made progress, and that British commercial interests would be protected after it reverted to Chinese rule. Page 3, British MPs debate Hong Kong teday, Page 6.

Namibia accord 'near' Namibian President Kenneth Kaunda said that talks on resolving

the Namibian conflict were near to

a breakthrough. Interview, Page 3. U.S. couple freed Tamil separatists in Sri Lanka released to the Rishop of Jaffna the

American couple, Stanley and Mary

Allen, whom they had kidnapped five days before. Irish complaint

The Irish Government has complained to Britain about the questioning of former Foreign Minister Michael O'Kennedy at Birmingham airport under the Prevention of Terrorism AcL

Cyprus buys arms

Cyprus is to buy more weapons for its National Guard, and is considering increasing from 0.5 per cent to 5 per cent the defence tax on salaries introduced in January. Page 2

Greek crew charged

A Greek captain and 11 crew (eight Greek and three Pakistani) were charged in Piraeus with pushing 11 Kenyan stowawnys from a cargo ship into shark-infested waters off

Art theft sentences

Three Hungarians were jailed, one for 11 years, for their part in a conspiracy to steal seven paintings from the Budapest Museum of Fine

Soviet casualties

Soviet forces have suffered at least 500 dead and wounded in the past seven to 10 days in their assault on Afghanistan's Panjsher Valley, according to western diplomats in Is-

Danube canal delay

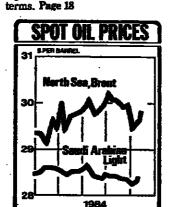
Romania has postponed, without explanation, the opening of a 64 km canal from the Danube to the Black

BUSINESS

on Peru's **IMF** loan terms

Peru's unwillingness to stick by its recently approved International Monetary Fund (IMF) programme after senior Government officials denied reports that Peru wants to

Sr Brian Jensen, general manag-er of the central banks said that the reports were "completely false." Earlier news agency reports from Lima had quoted Prime Minister Sr Sandro Mariategui as saying that Peru could not repay its \$12.6bn foreign debt if it stuck to the IMF



OIL: North Sea oil prices rose on stronger demand due to Gulf hostil ities. Buyer-seller rate for Brent Blend was \$29.75-\$29.95, 25c up from Monday. Arabian Light rose 8c to \$28.35-\$28.45.

DOLLAR was easier in London in

nervous trading. It fell to DM 2.7495 (from DM 2.757), FFr 8.4625 (FFr 8.465) and SwFr 2.275 (SwFr 2.2785), but improved to Y231.85 (Y231.25). Its Bank of England trade weighting eased from 131.7 to 131.5. In New York it was DM 2.734, FFr 8.3875, SwFr 2.261 and Y230.90. Page 45

STERLING fell 5 points to \$1.3875 and to DM 3.8175 (DM 3.8275), FFr 11.74 (FFr 11.7525) and SwFr 3.16 (SwFr 3.165), but improved to Y322 (Y321). Its trade weighting was down from 80.1 to 79.9. In New York it closed at \$1.391. Page 45

GOLD rose \$0.5 in London to \$373.5. In Frankfurt it gained \$1 at \$373.5, and in Zurich \$0.5 at \$373.75. Page 44

LONDON: FT Industrial Ordinary index was up 4 points at 878. Some government securities showed marginal gains. Report, Page 39. FT Share Information Service. Information Service, Pages 40, 41

WALL STREET: Bond prices were marked higher in early trading. The new 13.25 per cent Treasury long bond was more than a point up at 984. At the close the Dow Jones industrial average was 6.07 down at 1,151.07. Report, Page 35. Full

Share Prices, 36-38. LLOYD'S, London's international insurance market, is to bar 34 "undesirable business producers" from

its trading floor. Page 7 CANADA has protested against a U.S. plan to sell oil exploration and development licences over 25m acres of sea bed off the northern coast of British Columbia.

FRENCH court deferred judgment for two days on a request by Citroen for an order to end occupation of a car factory. Page 2.

The editorial content of today's international edition has been re-stricted because of continuing industrial action by IG Druck und Papier at Frankfurter Societäts-Druckerei, where the edition is printed. This prevents the publica-tion of late-breaking news, the final Wall Street report and closing U.S. over-the-counter and Canadian share prices.

British Aerospace Nato plan Confusion and Thorn EMI explore merger

BY MICHAEL DONNE AND ALEXANDER NICOLL IN LONDON

Thorn EMI, the UK electronics group, said yesterday it had initiated discussions with British Aerospace, maker of aircraft and weapons, which 'could result in a recommendation for the merger of the two companies." A combination would produce a financial circles was of scepticism

group with a turnover of more than C5bn (\$6.9bn) and products ranging from televisions to jet fighters. Whether it will proceed will depend heavily on the British Government, which owns nearly half British Aer-Sir Austin Pearce, chairman of

British Aerospace, disclosed that Thorn EMI had made an approach at BAe's annual meeting in London yesterday. After the meeting he said the matter was still in its "very, very early days" and it would probably be some weeks before further comment could be made.

The chairman of Thorn EMI, Mr Peter Laister, who assumed the position only last month, said yesterday. "It has been a very important part of our strategy to develop in the area of high technology - those areas where we see future growth." So far discussions have been only informal and have not touched on

about the benefits of the deal for Thorn EML These sentiments were reflected in the sharp reaction of the two companies' share prices, with British Aerospace jumping 65p to 322p and Thorn EMI falling 32p

At the closing prices BAe was valued at 6644m and Thorn EMI at A stock market analyst said: "We

feel this move is taking Thorn into a much riskier area." He cited the costs and uncertain prospects af BAe's civil aircraft manufacturing. Cash which is expected to be generated steadily by the existing Thorn group might have to be funnelled into development of BAe

Analysts of Thorn EMI were not universally pessimistic, however. Some thought BAe might be a relatively cheap acquisition and that BAe's funding needs would not be too heavy. Despite the appearance Initial reaction to the news in UK of a lack of synergy between the

two groups, there would be areas of overlap, especially since Thorn EMI has been developing its defence electronics activities, they said.

Mr Laister said: "I see no reaso why the City (of London) should take a poor view." A merger would bring strategic benefits to both companies, he said, adding that Thorn EMI had wished for a long time to shift the balance of the group's activities away from being heavily consumer oriented and concentrated in the UK.

Thorn informed the Government of its plans shortly before telling the London Stock Exchange yesterday afternoon, Mr Laister said. Thorn EMI wants a deal to go ahead quickly, perhaps by reaching an understanding in principle be-fore finalising detailed merger

Sir Austin Pearce ruled out the Continued on Page 18 Making the market gasp, Page 16; Lex, Page 18

German employers set to lock out strikers

BY JAMES BUCHAN IN BONN

WEST GERMAN engineering industry employers said yesterday they would lock out workers in the strike bound Stuttgart region from

As the strike by IG Metall, the engineering union, at key motor component factories entered its second day, Audi NSU Auto Union, the second car manufacturer to announce it was shutting down production because of an expected shortage of components.

Audi will close its two production plants in southern Germany from next Monday RMW announced on Monday that it would start closing four factories this week, and two tyre-makers, Conti-Gummi and Uniroyal, are considering shorttime working for some employees.

IG Metall, which has 2.6m mem-

bers nationwide, yesterday added only one more factory to the 14 key component-makers where on Mon-

port of its demand for a 35-hour my." working week.

The conflict seems bound to increase in both disruption and bitterness, however, with warning strikes Frankfurt region, which will affect production at Opel in Ruesselsheim, the General Motors subsidiary which is West Germany's thirdlargest car producer.

Yesterday, the union bitterly criticised as "brutal" the lock-out decision by employers in the northern Baden-Württemberg region around Stuttgart.

Employers will decide on Friday what form the lock-outs will take, but Herr Hans Peter Stihl, the local employers' spokesman, said the union must be prevented "from extending the strike for weeks and

day it called out members in sup- maximising damage to the econo

IG Metall will almost certainly be required to provide strike pay for all locked-out members instead of just the 13,000 so far called out. This due in the Rühr later this week. A will start making inroads into the second round of selective strikes union's strike fund, believed to will start from next Monday in the amount to about DM 460m (\$167m).

Herr Norbert Blum, the Bonn Labour Minister, yesterday made a surprising appeal to employers to return to talks with a fresh offer in-"differentiated settle ments", after employers repeatedly refused to budge from 40 hours as a norm for the working week.

Although both sides yesterday professed readiness for talks, the ritual of strike and lock-out appeared to have gained a momen

Citroen talks, Page 2; Conti-Gummi results. Page 19

of its own.

Reuters secures underwriting for 14% of equity in Britain

BY CHARLES BATCHELOR IN LONDON

REUTERS, the international news group expected the U.S. shares to ternational group, alone among the agency and business information be priced at between 200 and 235 p. group, yesterday took the final step

The minimum striking price valtowards a public listing in London ues Reuters entire equity at £708m with the successful underwriting of though the indicated U.S. prices 57m of its shares - 14 per cent of its place a value of between £786m and towards a public listing in London 57m of its shares - 14 per cent of its equity - by UK investors. The issue could value Reuters at more than £900m (\$1,24bn).

number of shares to U.S. investors over the next two weeks as part of its plan for a broad international spread of share ownership. Hoare Govett and Cazenove, joint

tender price of 180p each with about and insurance companies. Reuters plans to offer between

ments meant that yesterday the

The minimum striking price valc923m on the company. Reuters' 72-page prospectus in-

cluded a forecast that pre-tax prof-The company will offer a similar its will rise to about £70m in the total dividend of 2.5p.

brokers to the issue in London, Rothschild, maintained that the placed 57m shares at a minimum size of the offering had been deter-200 institutions, despite a boycott isting newspaper shareholders to mation and computer software comby a large number of pension funds sell their shares, rather than the U.S. investor boycott. Reuters intends to sell 30m

49.8m and 57m shares in the U.S. at shares for its own benefit, which the equivalent dollar rate to the would raise £46m for the company striking price decided in London. at the minimum tender price of The differing U.S. offering require- 1800.

Mr Rupert Murdoch's News In-

major newspaper shareholders, is not willing to sell any of its shares. Associated Newspapers is ready to sell one third of its 27m shares, Fleet Holdings only 2.5m of its 27m shares and International Thomson nearly its entire holding of 12.5m Of Reuters three executive direc

year ending December 1984 from tors, Mr Glen Renfrew, managing £55.2m in 1983. It expects to pay a director, is ready to sell a quarter of his holding, and Mr Michael Nel Reuters and its merchant bank son, general manager and Mr Nigel advisers, S.G. Warburg and N.M. Judah, finance director, half of their holdings. The issue's price reflected the val-

mined by the willingness of the ex- ue placed on similar business inforpanies traded on the UK and U.S. stockmarkets, they said. Mr Bob Wilson, of Hoare Govett,

said: "We had no problems with the underwriting. There was demand

Continued on Page 18 Lex, Page 18; Details, Page 22

Chicago Fed went to aid of Continental Illinois By William Hall in New York

THE FEDERAL Reserve Bank of Chicago provided temporary fi-nancial help to Continental Illinois, the eighth largest bank in the U.S., before the \$4.5bn "salety-net," announced on Monday, was put in place.

Continental Illinois confirmed yesterday that it had telexed its major overseas depositors during the weekend explaining that because of the interruption in its normal funding operations caused by the spread of rumours, it had exercised its ability to borrow from the Fed to cover temporary liquidity imbalances. It went on to detail the support that was available from the Chicago Fed if its liquidity problems per-

Bankers in New York said yesterday that the announcement of the standby facility for Continental Illinois had led to an improvement in confidence in the money markets but noted that Continental Illinois certificates of deposit (CDS) were still trading at a premium of about 50 basis points above comparable paper of other big U.S. banks.

Bankers noted that this sort of premium is an expensive penalty and they would expect it to narrow considerably and eventually disappear when confidence is fully restored.

Mr Raymond Garea, executive vice-president of Cates Consulting, which specialises in analys-ing banks, said that the 30-day \$4.5bn standby facility for Continental was a "clear signal that the Fed and other large banks are willing to stand behind the bank. If that is the case the market will interpret that as meaning that no-one will let Continen-tal Illinois fail."

While the money markets reacted positively to Monday's announcement from Continental. Wall Street analysts were less

Continental Illinois shares fell by \$% early yesterday and were trading at \$12% yesterday hunchtime.

• Wall Street bond prices were marked higher in early trading yesterday, signalling what dealers described as a "better tone" to the markets and, for the first time for several days, some slight, retail buying interest. Editorial comment, Page 16; Continental Illinois' future,

Page 19

Delors unveils plan to raise FFr 300bn

BY DAVID HOUSEGO IN PARIS

FRANCE WILL need to raise more than FFr 60bn (\$7.1bn) a year on the international capital markets over the next five years, M Jacques Delors, French Finance Minster, revealed yesterday.

He also said that France's out-standing foreign debt, which stood at FFr 451bn at the end of last year, will continue to rise - although at a declining pace - until 1987/88 when

The unexpected disclosure vesterday of France's anticipated longterm foreign borrowing pro-gramme, backed by detailed figures on the country's debt service schedule in the coming years, was made in an effort to discredit a far more damaging picture of France's foreign indebtedness also published esterday by a Senate Committee

of Inquiry.
The senate report, which is bound to precipitate a major political controversy, puts the overall size of France's foreign debt at FFr 600bn. The report, which Socialist senators refused to sign because they considered it misleading, dramatises the picture by saying that every Frenchman at present owes the country's creditors FFr 13,000 (\$1,500). The report, however,

includes almost FFr 150bn of cumu lative short-term debt incurred by banks in its calculations, although this is normally excluded from international debt figures.

The report also estimates that by 1988, or at the end of President Mitterand's presidency. France will face a debt-servicing burden of FFr 140-150bn in capital and interest declining pace – until 1981/00 when it will begin to decline in nominal the basis of an end-1983 medium terms. Until now, M Delors has set and long-term debt of FFr 451bn and of heavier additional borrowing and of heavier additional borrowing in the coming years.

According to the scenario pre-pared by the Ministry of Finance. total debt servicing payments (principal and interest) will rise from FFr 66bn this year to FFr 77bn in 1985 and FFr 119bn in 1988. This estimate assumes that interest rates remain at their end-1983 level and that the dollar will fall to an average rate of FFr 8 this year and subsequently to FFr 7.60.

It also takes into account a net increase in the foreign debt of FFr 44bn this year, declining to an increase of FFr 8bn in 1987 before the debt actually falls by FFr 5bn in

The anticipated new foreign bor-Continued on Page 18 Changes in summit prospects seen, Page 2

Allianz drops plans to buy Armco unit

BY TERRY DODSWORTH IN NEW YORK

ALLIANZ Versicherung, the West ket, did not elaborate on these German insurance group, has plans. pulled out of talks on the acquisi-tion of the property and casualty in-ing arrangement with Allianz, Armsurance activities of Armco, the co is not now in talks with any oth-U.S. steel and energy group.

came a drag on earnings last year ance business. during the escalating crisis in the U.S. property and casualty indus-try. Allianz was then given exclusive negotiating rights.

German company said that it was waukee company acquired in a paabandoning the deal because Arm- per deal worth \$399m in 1980. co's activities "would not fit our In the first quarter of this year, plans to consolidate and expand ur however, Armoo set aside a \$105m insurance activities in the U.S.". Al- provision against the disposal of the lianz, which is regarded as an ag- insurance unit, which made a small gressive newcomer in the U.S. mar- operating loss in the period.

J.S. steel and energy group. er potential buyers. The company Armco announced at the end of said yesterday that it had received January that it was planning to sell inquiries from other sources and its insurance business, which be-

No price has been put on the Armco insurance business, which was built out of an amalgamation of the company's own insurance activ-In a short statement, the West ities and NN Corporation, a Mil-

SOME STRICTLY **BUSINESS REASONS** FOR BUYING BRITISH.

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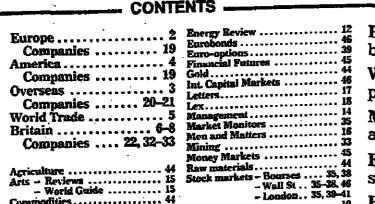
You'll want a truck backed by a fully-equipped support depot not far away-not way across the country.

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political Honduras: begins to bubble 4 stiffen their backs 17 World Trade: curbs on cars London summit: time for Management: Atlas Copco Lex: Thorn EMI / British and stock control 14 Aerospace; Reuters 18 Editorial comment: banking; U.S.: what the future holds

pot West Germany: the unions British Aerospace: Thorn Swaziland: competing with



UK and W. Germany urged to lead jobs fight

BY JOHN WYLES IN BRUSSELS

A DISTINGUISHED team of the EEC economy a year ago. international economists today On the initiative of the CEPS, urges EEC governments to they have been brought toattack unemployment levels by gether, under the chairmanship placing Britain and West Ger- of Professor Rudiger Dorncerted but temporary reflation.

Their report,* published by the Brussels-based Centre for European Policy Studies The (CEPS), gives a higher priority to cutting the jobless queues than to maintaining a downward pressure on the inflation rate in all EEC countries,

It calls for Britain and West Germany to lead a co-ordinated programme of fiscal expansion within the Community based on a temporary boost to public investment and marginal employment subsidies

busch, to provide a critical commentary on the European Com-mission's own annual economic

The CEPS has this year in-Mr Samuel Brittan of the Finan-cial Times, and Dr Per Klappe, secretary general of the European Free Trade Area, agree on the scope for a concerted economic stimulus, although Mr Brittan rejects the notion of

EEC's nominal gross domestic product, which he argues, "should make clear that there can be no question of financing another lurch into higher infla-Similar concern about the in-

flationary impact of fiscal sti-mulus dominates the third commentary, contributed by Professor Juergen Donges of The CEPS has this year wited three leading economic Professor Juergen Donges of the First of the Financial Professor Juergen Donges of the First of the First Professor Juergen Donges of the First Professor Juergen Donges of the First Professor Juergen Donges of World Institute o lack of flexibility in the Euro-pean economies and that its "reflationary pleading" should be ignored. Rather, the emphasis must be

put on stimulating autonomous investment through restraining years the economy grows faster nominal wages, liberalising ema temporary boost to public investment and marginal employment subsidies.

These recommendations confirm the Keynesian preferences

The motion rejects the motion of fiscal expansion as proposed.

He urges, instead a 1-2 per which the same economists rewealed in their first report on firm the Keynesian preferences

The motion of fiscal expansion as proposed.

The urges, instead a 1-2 per which the same economists rewealed in their first report on the control of firm the Keynesian preferences.

The proposed investment through restraining nominal wages, liberalising employment security provisions, reducing public sector deficits and tight monetary policies.

The report was drafted by create serious inflationary prob-Professor Ruchard Layard, of lems because of the gap the London School of Econo- between the unemployment rate mics, and in part reflects his and the "non-accelerating inwork on potential use of the flationary rate of unemploy-taxation system to encourage ment" which they calculate at job creation. It comes down 7.5 per cent. If they do fear very heavily against work-inflation governments would do sharing as a vehicle for cutting better to operate some form of unemployment, on the grounds that it could only be justified if sign themselves to 10 per cent economies were up against a de-

mand ceiling for labour. Pointing out that the forecast growth rates for the EEC economy will not reduce unemployment from the current average level of 10 per cent, the report argues that this can only be achieved if for some growth rate.

incomes policy rather than reunemployment for years to

Nor, they argue, would higher budget deficits necessarily lead to rising inflation if "money is allowed to expand at a rate which holds real interest rates

*Europe: the Case for Un-sustainable Growth. R. Layard, growth rate.

G. Basevi, O. Blanchard, W.
The authors claim that temporary reflation would not CEPS Papers 8/9.

Ten reach broad agreement on regional fund reforms

BY OUR BRUSSELS CORRESPONDENT

COMMUNITY governments have chalked up vear—is spent according to another important reform after three years of frustrating negotations by reaching broad agreement on revisions to the very the first five years of the community worth feet 1.20 in (2270 in this government). agreement on revisions to the regional fund. gional fund. the new arrangement, up to 15
Although some details still per cent of the fund can be have to be worked out, there is allocated on so-called Com-a good chance that the munity programmes which the

lext year. ing with member states. These
Stout resistance from most will be more integrated promember states means that the grammes, rather than a collection of projects. They will aim

worth Ecu 1.45bn (£870m) this

revamped fund could come into Commission can take a stronger operation from the beginning of role in initiating and developnew provisions will not concentrate resources on the most
backward regions as fully as
the European Commission once
sought, but they will push the
policy further in this direction.
At the moment, some 95 per
cent of the fund—which is Spain and Portugal.

	EEC REGIONAL FUNI)
	% share of current fund	% upper and lower limits in revised fund
Belgium	1.05	0.90- 1.20
Denmark	1.01	0,51- 0 <i>.6</i> 7
West Germany	4.42	3.76- 4.81
Greece	12.35	12.35-15.74
France	12.96	11.05-14.74
Ireland	5.64	5.64- 6.84
italy	33.71	31.94-42.59
Luxembourg	0.07	0.06- 0.08
Netherlands	1.18	1.00- 1.34
Britain	22.67	21.42-28.56

The final breakthrough in negotiations was made by foreign ministers late on Monday evening. They adopted the Commission's proposal for quota Commission's proposal for quota ranges which guarantee mem to allocate resources to areas ber states minimum shares of greatest need and to encour-

the regional fund and set upper limits on what each may receive.
This should give the Com-

age governments to develop regional development pro-grammes to be financed in line with Community objectives. Ministers also agreed that the

Ministers also agreed that the rate of EEC financing would be generally fixed at 50 per cent of the cost of a programme, rather than maintain differential rates according to the nature of the project as under current arrangements.

Fearing an unacceptable transfer of authority to Brussels through the adoption of Com munity programmes, govern-ments insisted that these pro-grammes be endorsed by their majority vote. Any government can veto a Community pro-gramme developed for its own

Bonn pressure may put brake on lead-free petrol drive

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Commission has resolved all but one of the main technical problems involved in defining a proposal for the introduction of lead-free petrol throughout the EEC. But today, when the 14 Commissioners hold their weekly meeting, a final decision could be held back because the issue has become interwoven, largely solved by the Commission is because of West German pricing policy.

Officials working on the prohow more generally to control posal are anxious that there

The Council of Ministers' demand for a firm proposal is already a month overdue. But the Council has to have the proLead is not the only cause of Heinz Narjes, Commissioner for industry. Better to go about own speed, and the West Gerposal before it can act, or at car pollution, however. Engines Environment, and the second by the introduction of new stanman insistence on moving to least have the same sort of discussions that the Commission hydrocarbons and nitric oxide, Commissioner for industry and tage of the "lean-burn" engine better accommodated.

itself has been holding. Every week of delay is important because the Bonn Government is committed to introducing lead-free petrol by the start of 1986. The unity of the EEC market demands that the standards for its introduc-tion are common to the Ten. The remaining difficulty to be

should be no disincentive to the purchase of lead-free petrol. Higher prices would slow its introduction.

and these emissions are also energy.
inked to the quality of petrol. The Narjes school has a posilinked to the quality of petrol.
It is at this stage that the Commission confronts the wider issue, into which the lead-free question settles. Again there are EEC standards for exhaust emissions. The question is whether they should be toughened and the permitted level of pollution brought down. That settled, a new standard has to be established for introduction within a certain time limit.

In the Commission, there are . In the Commission, there are verters, because they need lead-broadly two schools of thought free petrol, would be expensive

tion closely aligned to West German thinking—the quickest possible toughening of standards using the best imme-diately available technology, that is, the installation in cars of the catalytic converter, as in the U.S. and Japan, to break down exhaust gases into harmless substances.

The Davignon school is con-cerned that a quick dash to conon vehicle emissions.

The first is led by Mr KarlHeinz Narjes, Commissioner for
Environment, and the second by

The first is led by Mr Karlfinancial burden to the motor ent states could move at their
industry. Better to go about own speed, and the West Gerthe introduction of new stanman insistence on moving to

when it comes out of the laboratory and into production. The "lean-burn" engine has high compression ratios and lowers the ratio of fuel to air. It is fuel-efficient and low on

The possible compromise be tween the two schools is to set the toughest emission standards but allow a long time for their introduction without specifying the technique to be used. Thus new cars might have to meat the new standard by 1989 By establishing a standard and ignoring technique, differ-ent states could move at their

New head of IEA named

By David Marsh in Paris

ONE PIECE in the jigsaw of Senior staff changes at the Organisation for Economic Cooperation and Development slipped into place yesterday with the announcement that Frau Helga Steeg, of the West German Economics Ministry, is being appointed executive director of the OECD's sister organisation, the International

Energy Agency.
Frau Steeg, who will take over in the next few weeks following the retirement of the previous incumbent, Dr Ulf Lantzke, at the end of March has extensive experience of international economic affairs. During her 11-year spell as director-general for external economic policy at the Bonn Economics Ministry, her responsibilities have included energy relations with oil-producing countries. She is likely, thereto give additional fore, to give additional emphasis at the IEA to promot-

ing links between industrial countries and Opec.
Frau Steeg at the end of 1981 was backed by the U.S. and West German governments to succeed Mr Emile van Len-nep, the long-serving OECD secretary-general, who eventually wsa given an extension of is term to this September. Her appointment at the IEA may encourage Bonn to support the French candidate for Mr

van Lennep's job. M Jean-Claude Paye of the Foreign Ministry, some observers were suggesting last night. M Paye, a career diplomat who has been head of the Quai d'Orsay's economic and financial department since 1979, was

previously an adviser to M Raymond Barre, the former Prime Minister. The other declared candidates are Mr Marc Lalonde, the Canadian Finance Minister, who has close links with Mr Plerre Trudeau, the outgoing Prime Minister: and Sir Kenneth Couzens, who has held senior positions at the UK Treasury and the Energy Department

Thatcher governments. FINANCIAL TIMES, USPS No 190640 published daily except Sundays and holidays. U.S. subscription rates \$420,00 per annum. Second class 200,00 paid at Naw York NY and at additional mailing offices. POSTadditionel mailing offices. POST-MASTER: send address changes to: FINANCIAL TIMES, 14 East 60th Suret.

Government intervenes in Citroen dispute

BY PAUL BETTS IN PARIS

PRODUCTION continued to be blocked by a workers' sit-in at the three Citroen plants in the Paris area yesterday, as the French Government launched a round of urgent consultations to try to defuse a potentially serious labour and political con-

flict.
A fourth Citroen plant at Asnières, also in the Paris area, was hit yesterday by strike action organised by workers of the pro-Communist CGT union, which has led the occupation of the Citroen plants.

But the CGT said there was no sit-in at the plant which employs 1,600 people. Strike action also hit a Citroen work-

shop employing 680 people in Aulnay-sous-Bois Citroen plant, the Paris region at St-Ouen. M Pierre Beregovoy, Social Affairs Minister, met the key parties in the Citroen dispute yesterday and is due to continue his consultations today. The

Minister also had talks on the Citroen affair with M Pierre Mauroy, the French Prime In a clear attempt to give the Government a chance to try to

find a rapid solution to the forces to evacuate the large Magistrates were also due to review requests by the Citroen company, part of the private Peugeot car group, to clear the other two occupied plants at Levallois and Nanterre.

The Social Affairs Minister yesterday say M Jacques Calvet, president of Citroen and head of all the Peugeot group's car

M Calvet, who has vigorously argued the need for Citroen to dispute, French magistrates cut its workforce by 6,000 to yesterday postponed until enable it to return to profit, tomorrow their decision on whether to send in police "dangerous" for the future of

All parties in the dispute appear keen to avoid a further vorsening in the conflict leading to a similar traumatic situation to the labour clashes at Peugeot's Talbot car plant at Poissy earlier this year.

The CGT seems intent to use the Citroen dispute to show to the Socialist Party that the Communists, the junior part-ners in the left-wing governing coalition, still have a deep influence on labour in France. Moreover, Citroen is also

being used by the Communists to push forward their ideological attack against the Socialist Government's rigorous industrial policy.

Unemployment and tax burden set to rise

FRENCH unemployment and people's tax on social security contributions will continue to rise until the end of M Francois Mitterrand's presidency under a variety of economic scenarios prepared by Insee, the official statistics institute for

All assume that France's foreign indebtedness will at least level off by the end of the period. This is also the assumption behind figures that lexes in the economy in sucking in an assumption behind figures that excessively high volume of imports as the economy nicks in Minister, presented yesterday. These show France beginning to reduce its foreign debt in 1988.

is to stabilise foreign debt by generating a current account surplus. They foresee French economic growth remaining lower than that of its main trading partners averaging

ports as the economy picks up.

den will be placed on taxation and from the difficulties of or social security payments and rapidly expanding exports.

the instigation of a Senate com- average by 1.8-2 per cent a year account at the expense of re- even falls slightly.

mission show what limited room compared with 2.9 per cent ducing individuals purchasing there is for more economic abroad — some 840,000-890,000 power.

growth if the priority of policy jobs will be lost over the period in the "most likely" in the "most likely". carrying unemployment up to the 3m mark.

The unavoidable increase in tax or social security contribu-tions arises from the annual 3 per cent rise in real terms in social security allowances. This ensocial security allowances. This is mainly due to the growing burden of old age pensions. But the scenarios make differing assumptions on whether the burden will be placed on taxation of social security purchased.

Inflation, in the "most likely" examples, falls to 3.4-3 per cent annually, leaving the franc strong against the D-Mark.

Only one scenario assumes changes in the present tight economic policies. This envis-ages a stimulus to demand by increasing purchasing power, a sharp pick-up in investments and an accelerated programme

The result is that growth on the extent to which the Gov- climbs to 2.5 per cent annually, reduce its foreign debt in 1988. In the "most likely" ernment wants to give urgent inflation rises to 5.5 per cent

The scenarios worked out at scenarios—with GNP rising on priority to restoring the current and unemployment stabilises or

Swiss put environment before clean clothes

By Carla Rapoport in London and John Wicks in Zurich

SWITZERLAND HAS decided to put its concern for a clean environment shead of its concern for clean clothes. As of January 1, 1986, it will ban the use of phosphates in

t will be the first complete ban on phosphates in detergents by a European country. According to chemicals manufacturers, it will mean that the Swiss will not be able to keep their clothes as clean other Europeans

There is no formulation on "There is no formulation on the market which washes as well as detergents with phosphates," said Mr Eric Johnston, technical relations manager at Albright and Wilson, one of Europe's principal manufacturers of sodium tripolyphosphates. 'You drop the phosphate level at the risk of performance," said a Unilever executive vesterday.

yesterday.

The use of phosphates in detergents has been sharply curtailed over the past 15 years because of their effect on surface waters such as lakes and ponds. An excess of phosphates causes an overgrowth of algae, which is both unsightly and environmentally harmful. However, the main source of

phosphates in surface water is fertilisers. According to Swiss statistics, the ban will reduce the overall emission of phosphates into the water by

only 10-15 per cent. Detergent phosphates been the easy way out," said Mr Johnston yesterday. He and others say that the environmental problems of water pollution by phosphates will only be curbed when farmers are asked to cut down on their use of phosphates in fertilisers.

As for replacements for phos-phates, the Swiss Government phates, the swiss Government is recommending the use of zeolith-based detergents, which are already on the market. It has also suggested addition of nitril-tri-acetic acid (NTA), which is biogradable, as a way of reducting detergent periods. ing detergent residue in clothes and washing machines.

Albright & Wilson said yester-day that it sells no phosphates to Swiss detergent manufacturers, but the ban will have a "serious" effect on manufac-turers in Switzerland, who include the Migros Group, Unilever, Procter and Gamble and a number of privately-held groups.

Plea to keep Reagan Irish visit calm

THE IRISH Prime Minister, Dr Garrett Fitzgerald, has made a plea for people to avoid puba plea for people to avoin pur-lic demonstrations "which could be counter-productive" during the three-day visit of President Ronald Reagan to the Irish Republic next

month. His call came amid a mounting campaign to organise protests during the visit, mainly over U.S. policy in Central America.

esterday, both Houses of the Irish Parliament agreed that President Reagan should be invited to address them on June 4. But 11 of the 126 members have

already said they will boy-The Irish Government is em-barrassed by these protests because three Irish Prime Ministers, including Dr Fitzgerald, have addressed joint sessions of Congress during visits to Washington.

U.S. policy in Central America has become an issue in Ire-land largely because of campaigning by Irish churchmen. Yesterday, two Opposition MPs were ordered to leave the House during exchanges on the mining of harbours in Nicaragua.

The Irish Committee for Nuclear Disarmament is planning to push a mock Pershing missile from Donegal to Ballyporeen. President Reagan's ancestral home which he is due to visit on June 3.

Dr Fitzgerald has said a successful presidential visit could lead to an increase in the

37,000 jobs currently pro-vided by U.S. companies

Washington in April last year on exchange rate intervention.

exchange of ambattadors in autumn, concludes that the between Ankara and Turkish National Guard, which is backed Cyprus,

Cyprus.

He also met his Greek would be capable of giving the counterpart, Mr Constantine attacking side "a bloody nose."

Europe to step up Nato collaboration on weapons production

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN BRUSSELS

arms.

A communique at the end of a one-day meeting of the alliances tial stage to such co-operation. The ministers pledged that their governments would look again at specific areas "where it had so far proved impossible to devise co-operative solutions." However, with a touch of irony not lost on officials here,

the include France.

The endorsement of the IEPG that the DPC deliberations as the principal organ of collaboration is a clear recognition infrastructure and the approval with Nato and of the importance of French industry in any future collaboration.
The decision of the Euro-

group seems to have taken its new chairman, Mr Michael Heseltine, somewhat by sur-prise. The British Defence Secretary had circulated a paper which is said to have outlined clear and practical steps towards European collaboration in research and development and on a number of defence projects.

A specific timetable envisaged

NATO'S EUROPEAN defence the possibility of a special ministers agreed last night on ministerial meeting of that body the need to take steps to improve collaboration within duled session in the autumn. Europe on the production of Yesterday's communique endorsed a resolution on the

defeate ahe

AMINE SE

it iffice (!

need to strengthen arms colone-day meeting of the alliances laboration which was passed Eurogroup spoke of the need to harmonise weapon systems requirements as the first essensystems involving new technologies which have now gone to Nato armament directors for

study.

A significant step in the controversial U.S. drive to have Nato adopt so-called ET (emerging technology) weapons the ministers have agreed that is likely over the next two such co-operation on arms production as a whole can best take ministers gathered at the Deplace in a non-Nato body—the Independent European Programme Group which was set up in the 1970s, specifically to priority development.

Ministers have agreed that is likely over the next two such cannot defence ministers gathered at the Deplace in a non-Nato best take ministers gathered at the Deplace in a non-Nato best take ministers gathered at the Deplace in a non-Nato best take ministers gathered at the Deplace in a non-Nato best take ministers gathered at the Deplace in a non-Nato best take ministers gathered at the Deplace in a non-Nato best take ministers gathered at the Deplace in a non-Nato best take ministers gathered at the Deplace in a non-Nato body—the Independent European Programme Group which was set a dozen such systems for up in the 1970s, specifically to priority development.

Ministers have agreed that is likely over the next two such co-operation on arms produced at the Deplace in a non-Nato body—the Independent European Programme Group which was set a dozen such systems for up in the 1970s, specifically to priority development.

by ministers both of the continuof commitments by national ing delicacy of French relations governments of new force levels to Nato may be sidetracked by continuing disputes between Greece and Turkey.

Meanwhile. Nato has condemned the deployment of new Soviet missiles in East Germany and has expressed "profound regret" over the Soviet refusal to return to the Euro-missile.

to return to the Euro-missile arms control talks in Geneva.

Mr Richard Burt, the U.S. chairman of Nato's Special Consultative Group, told a news conference after a meeting here yesterday that the new deploy A specific timetable envisaged the achievement of certain projects by 1990, although some others—like the next generation of battlefield tank—would obviously take longer.

According to British officials the ideas in the paper were well received by Eurogroup ministers but they must now be re-presented to the IEPG.

Officials here were suggesting yesterday that the new deployment came as no surprise, ment came as no surprise. The Soviet Union had planned to modernise its short and medium range missiles in Eastern Europe even before Nato began to deploy cruise and Pershing 2 missiles. he said. New SS12, 21 and 22 missiles were being deployed from bases in the Soviet Union into East Germany and Czechos-lovakia, he added.

Turkey condemns Greek objection to missile sites

BY DAVID BARCHARD IN ANKARA

as illogical and contrary to changes in Turkish or Nato basic Nato principles, Greek defence arrangements would objections to the siting of Harpoon anti-ship missiles along the Turkish Aegean attitude on the Harpoon missiles and related defence issues.

The chiestians were made him.

The objections were made by Mr Andreas Papandreou, the Greek Prime Minister, at the weekend. Greece and Turkey have longstanding disputes in weekend. Greece and Turkey A petition by 1,200 Turkish have longstanding disputes in the Aegean Sea, ranging from territorial waters, mineral rights in the seabed, and the flight information region. Each has accused the other of an arms build-up of a potentially few hours after it had been proceeded. hostile nature.

Ankara and Brussels yesterday by Mr Zeki Yavuzturk, the from the universities, cinema, Turkish Minister of Defence, the arts and literature that and Turkish Foreign Ministry legal profession and former officials said that Greece was objecting to the siting of the the Government, the petition missiles for political reasons. was a clear challenge to the They said that Nato military constitutional and political chiefs and the rest of the order created by the military alliance did not accept the since 1980.

TURKEY yesterday condemned Greek objections and that no

is harming cohesion in Mediterran ostile nature.

carried by the semi-official
Simultaneous statements in Anatolin News Agency. Signed by leading figures

Cyprus to buy more arms for its National Guard

BY ANDRIANA ERODIACONOU IN ATHENS THE CYPRUS Government is Karamanlis, who is playing an

to buy more weapons for the active behind-the-scenes role in Greek Cypriot National Guard, formulating Cyprus policy, and step up efforts to bring international pressure on the option is to ensure the best self-proclaimed Turkish Cypriot possible military defences on republic in the occupied north of the island.

Karamanlis, who is playing an to be playing an active behind-the-scenes role in formulating Cyprus policy.

For the moment our only possible military defences on the island and make as much noise as possible in inter-

introduced last January.

of the island.

To help finance the arms drive, Cypriot officials said the Government is considering increasing to 5 per cent the 0.5 per cent the 0.5 per cent the considering increasing to 5 per cent the considering and make as much noise as possible in international organisations," one Cypriot government official said. The 10,000-strong Greek Cypriot National Guard, which was decimated during the 1974 Turkish invasion of Cyprus, has This strategy was discussed in Athens yesterday between Mr Spyros Kypriantou, the a further hypothetical Turkish a further hypothetical Turkish since been restored to an effi-cient military force capable of Cypriot President, and Greek a further hypothetical Turkish government leaders. Mr Kyprianou stopped off his way back from a UN Security Council meeting called following the exchange of ambavadors in The report, drawn up last autumn, concludes that the

Kohl to put tax amnesty **Bill before Parliament**

BY RUPERT CORNWELL IN BONN

AN UNREPENTANT Chancel- opposition, which is now leadlor Helmut Kohl last night ing the campaign against the served notice that he intends amnesty, had received such to bring the Government's controversial (ax evasion amnesty industry, he declared. Both the debt and exchange rate problems are expected to be taken up at a meeting in before Parliament - whatever the criticism against it and the slim chances of its approval. Herr Kohl told the annual meeting of the West German Industry Association (BDI) that the whole issue of party financing, around which the amnesty row revolves, must be

His fighting remarks came on the eve of the crucial meeting here of MPs of the Free Democrat (FDP) coalition party. If as expected, they reject the draft amnesty Bill the measure appears doomed.

French see change in prospects for summit

BY OUR PARIS CORRESPONDENT

THE PROSPECTS for next rates; the statements by Argen- endorsement of the U.S.-led of an agreement reached with month's world economic summit tina on the difficulties that it and other Latin American counchanged over the past few days, according to senior French officials. The "Sherpas," or officials preparing the ground for the meeting of heads of government of the U.S.-led endorsement of t of the seven main industrialised nations on June 7-9, are expec-ted to inject more substance into the agenda when they meet

over the weekend. The events which have put fresh urgency into the summit are the rise in U.S. interest

M Delors (left): Concern over

been mounted. Before the events of the past

their concern over the rise in

Before the events of the past U.S. rates.

Week, French officials believe, the summit was heading for a bland conclusion. The outcome bland conclusion. The outcome bonkers both about mediumon on exchange rates and increasforeseen in Paris was a state-ment on international terrorism ing countries and the recent at the initiative of Mrs Margaret volatility in exchange rates. In admiration of develop-ing world liquidity were becom-ing be ment on international terrorism in countries and the recent at the initiative of Mrs Margaret Thatcher, a joint commitment The U.S. declined last week to build a manned space station in which Europe would be accommended a subsidiary role, and an expectation of relieving the debt problem. The contributors are term dept problems of development and the recent ing bogged down. The new approach is aimed at providing more funds for the main interpolation and the rise in the dollar in spite of relieving the debt problem. The countries and the recent ing bogged down. The new approach is aimed at providing more funds for the main interpolation and the rise in the dollar in spite of relieving the debt problem.

In write indept problems of development ing world inquidity were decommendations in the interpolation at the recent ing bogged down. The new approach is aimed at providing more funds for the main interpolation in the last few days," the Chancellor said. The Social Democration in the last few days, the Chancellor said. The Social Democration in the last few days, the Chancellor said. The Social Democration in the last few days, the Chancellor said. The Social Democration in the last few days, the Chancellor said. The social Democration in the last few days, the Chancellor said. The social Democratic interpolation in the last few days, the chance in the last few days, the Chancellor said in the last few days, the Chancellor said. The social Democratic interpolation in the last few days, the chance in the last few days, the chance

Paris today of deputy finance ministers from a Group of Ten industrialised countries. This

China defends HK policy ahead of Commons debate

BY MARK BAKER IN PEKING AND ALAIN CASS IN LONDON

Prime Minister, yesterday defended China's policies for resuming control of Hong Kong. But he also promised. in a statement ahead of today's House of Commons debate on the colony's future, that British commercial in-teresis there would be

Zhao told the National People's Congress that China had given "full consideration to the history and present conditions of Hong Kong" in formulating its plans.

"These policies are in the fundamental interests of the people of the whole country, including our compatriots in Hong Kong. They are realistic and reasonable," he

Referring to foreign interests in the territory after 1997, Mr Zhao said: "Due regard will be given to the economic session of the Congress. Officials

Kong legislators and Foreign Office ministers.

ment of profit delivery with taxation and to give industrial enterprises much greater free-

doms in managing their own

The measures were detailed yesterday by Zhao Ziyang, the

Chinese premier, who said they would stimulate productivity and efficiency and "do away

with egalitarianism in distribu-

be introduced gradually to en-terprises throughout China and tion.

Secretary, and Mr Richard Luce, Minister in charge of the Hong Kong talks, to press China for firmer guarantees that the territory's capitalist system would be maintained after the takeover in 1997.

The Commons debate on Hong Kong is expected to be a low-key affair. Although MPs are aware of the growing anxieties in the territory at an eventual Chinese takeover, the Hong Kong delegation's pleas to MPs to stiffen the Government's back are likely to go largely unheeded. While Zhao made no refer-

ence to the delegation of Hong Kong legislators or their sharply worded statement last week about the apprehensions of Hong Kong residents, his remarks reinforce China's to placate

interests of Britain and other countries in Hong Kong."

Zhao's statement also coincided with talks in London between the delegation of Hong Kong issue is not on the agenda for the two-week session but that china's between the delegation of Hong Hongier to entire the contract the contract that China's the contract the contract the contract that china's the contract t

policies to ensure the continuing prosperity and stability of The group, from the territory's Executive and Legislative Councils, was expected to press
Sir Geoffrey Howe, the Foreign

New strategy announced on enterprise taxation BY OUR PEKING CORRESPONDENT CHINA has announced new the old system of enterprises measures to expand the replace-merely handing over their enagainst the dollar.

tire profits to the state would be abolished. The taxation system has been introduced in various sectors of the Chinese economy since last year on a trial basis. The en-terprises have been able to re-tain some of their profits to

distribute as bonuses or to expand production. Zhao said very good results had been achieved from the first Zhao announced that from step and implementation of the the last quarter of this year new system throughout the rarious forms of taxation would country would be "of vital significance" in boosting produc

> However, earlier this week the statistics bureau announced that unemployment had increased 43 per cent in the six months October to March and it

With elections due in late July, the Finance Minister is his current policies, and to resort to short-term tactics which would create a more positive economic climate in the run-up to polling day.

Mr Gad Ya'acobi, Economic Spokesman for the Opposition Labour Party, said April's infa-tion figure demonstrated the bankruptry of the Government's

Kaunda hopes for Namibia formula in weeks

BY MICHAEL HOLMAN IN LUSAKA

FURTHER developments in participants efforts to resolve the Namibian clinched a deal" based on a conconflict could take place "in weeks rather than months," Dr Kenneth Kaunda, the Zambian was within reach which would from Angola should not be overcome South Africa's objectorecondition for a settlement. tions to the Cuban presence in neighbouring Angola.

Speaking in the wake of the Lusaka conference on the future of the territory which ended inconclusively on Sunday night, Dr Kaunda said that the talks had come close to a major breakthrough in the 18-year guerrilla war. Given an extra day, he said,

resolution 435 as the basis for independence, calling for a president, said yesterday. He ceasefire, and asserting that the held out hopes that a formula withdrawal of Cuban troops from Angola should not be a Such an agreement said the President, would have been

"could

President, would have been signed by the South West African Peoples' Organisation (Swapo), which is conducting the guerrilla campaign and Dr Willie Van Niekerk, the South African Administrator-General of Namibia. Two "internal" a joint demand for independence emerging from the Lusaka talks.

have their position on the linkage of Had the sought-after agree-on a conthe withdrawal of the Cuban ment been reached, Dr Kaunda ference document affirming United Nations Seurity Council troops to a settlement.

Dr Kaunda stressed the potenin the South African Parliament last week by Mr Pik
Botha, the Foreign Minister.

Wews of the Lusake delegates
to the South African Prime
minister. "We would have
asked him to translate that Speaking before the Lusaka

meeting the Foreign Minister repeated his Government's in-

said, Dr Van Niekerk would have been asked to convey the tial significance of statements views of the Lusaka delegates

> (statement) into action." The President made it clear that his interpretation of the Cape Town statements was that demand that Cuban withdrawal be a precondition to a settlement would have to fall away should all parties at Lusaka reach unanimity in their demand for independence.

speculation in Lusaka that under an effective quid pro quo, South Africa would drop or moderate its insistence on Cuban withdrawal should the substantial UN military and administrative role u resolution 435 be reduced.

When this possibility was put to him yesierday, Dr Kaunda responded cautiously, saying it would be "difficult" and "dangerous" to depart from the contents of 435" in from the contents of 435 "in any shape or form." But, he said.
"We would rather have 435 implemented fully, and if in the process the UN itself thinks it can shortcut some of its own agreed procedures, they would be the best people to judge."



Inflation at new peak in Israel

By David Lennon in Tel Aviv

record-breaking hyper-inflation reached new heights in April when prices rose by 20.6 per cent. Inflation in the first four months of 1984 was 72 per cent, equivalent to 406 per cent on an annual basis.

The sky-rocketing inflation, which is now more than double the 1983 rate of 190 per cent, is likely to halve the prospects of the Likud Government in the July General Election.

The cost-of-living index which was announced yesterday by the Central Bureau of Statistics was the highest-ever for April and is the second highest for a single month. Last October, the price increase was 21.1 per cent, but that came after a 23 per cent devaluation of the shekel

The International Monetary Fund (IMF) warned recently that Israel's inflation level is endangering the entire economic system in Israel. It urged the Government to take more vigorous steps to curb price increases.

Mr Yigal Cohen-Orgad, the Finance Minister, admitted yesterday that the steps he had taken since the October crisis to reduce the burgeoning balance of payments deficit had contributed towards the acceleration in inflation. But he insisted that the alternatives would have been a sharp growth in un-

now stood at 80,000, some 5.7 per cent of the work force.

under pressure from his Cabinet and party colleagues to abandon

economic policy.

Beirut schools protest shelling

BEIRUT - Schools in Christian East Beirut and nearby mountain areas closed down indefinitely yesterday in protest at the shelling which killed one schoolboy and wounded 20 of his classmates on

A statement from the teachers' bureau of the Christian Falangist Party, which controls the eastern sector, said classes would stop until further notice. It called on the Government to take a strong line

against truce violations. in mainly Moslem West Beirut, many parents kept their children at home for fear the Falangist-dominated "Lebanese forces" militia would carry out a threat to retaliate if any more shells hit the eastern

In the event, the "green line" down the centre of the divided capital was quiet except for sporadic sniping between the rival forces -the army and the "Lebanese forces" in the East, Druze and Shia Moslem forces in the West.

Security sources said the only casualities they could confirm were line while handling an artillery Lebanon's new Prime Minister, veteran Sunni Moslem politician

Rashid Karami, met President Amin Gemavel in the hill suburb of Baabda to prepare for today's Cabinet meeting, which is expected to endorse a government programme approved by a committee of four ministers on Monday

Details of the programme have not been released but political sources said it covered the Israeli occupation of South Lebanon and Moslem demands for substantial changes in the system by which power is divided along sectarian

The sources said the relative ease with which the committee drew up a concerted programme had helped to restore public confidence in the two-week-old Government of National Unity.

The Government suffered a serious blow to its credibility last weekend when the ministers failed to prevent their private armies from shelling areas held by their rivals, three militiamen killed and one killing at least 18 people and wounded on the western side of the wounding about 80.

In a statement to "The Voice of the Mountain", the Druze militia radio station, Mr Karami said the "active forces" which had agreed to join the Cabinet were responsible for putting an end to the Lebanese conflict.

He said the militias should disen gage right along the front lines, then withdraw, hand in their arms and allow government forces to de ploy in their place.

Asked about the government programme, the new Prime Minister said: "After everything that has happened, we really must lay the foundations of a new Lebanon through a new charter headlined liberation (of the south), security

Former, President Suleiman Franjieh, the only major politician refusing to co-operate with the new Government, told a press conference yesterday that the ministers should put an end to the fighting if they wanted to show they were really working in the interests of

Bush optimistic on ties between U.S. and India

BY JOHN ELLIOTT IN NEW DELHI

greater understanding on inter-national issues concerning South Asia and non-aligned countries during the past three days' visit to New Delhi by Mr George Bush, U.S. Vice Presi-dant

Before he left for Pakistan yesterday, having had talks lasting a total of four hours with Mrs Indira Gandhi, Indian

Mrs Indira Gandhi, Indian Prime Minister, Mr Bush said there was the "basis for a strong and enduring friendship."

No matching optimistic statement was issued by the Indian Government which resents U.S. influence in surrounding countries such as Pakistan countries such as Pakistan, Bangladesh and Sri Lanka. Mr Bush said he had assured India that U.S. defence supplies

to Pakistan were "in no way of this country as well as the meant to destabilise" India or in oil-rich Gulf and the Middle

INDIA and the U.S. edged tan." Yet the U.S. also had to cautiously towards a potentially be concerned about the Afghan be concerned about the Afghan refugee situation in Pakistan. Talks between the foreign secretaries of India and Pakis-tan on friendship and no-war treaties between the two countries resume in Islamabad on Saturday, one day after Mr Bush

Mohammed Aftab adds from Islamabad: Mr Bush said here yesterday that he had come to Pakistan on behalf of President Reagan and the American people to reaffirm "our country's support for a strong, stable and with its neighbours."

This was taken to mean a firm and clear assurance to Pakistan against a Soviet threat. Moscow continues to bedevil the security thing if any way adversely affect its interests of the massive streets.

We do not want to see India Afghanistan. The Soviets are threatened. We do not want to currently maintaining 110,000 see encirclement. We do not troops in Afghanistan, according want to see a militant Pakising to intelligence sources.

Peace movement backed BY OUR PEKING CORRESPONDENT

another world war.

The Chinese premier, Zhao
Ziyang, said the big anti-nuclear

"It demonstrates the strong Western ts in the U.

China stand firmly on the side of those safeguarding world peace and strongly support all just endeavours for world peace." Zhao told the opening session of China's National Peaceles Congress People's Congress.

CHINA has backed the international peace movement as a peace movement was "someth-powerful force to prevent ing in the life of the world to-

Europe, Japan and other countries for peace and disarmatries were helping to restrain superpower confrontation.

"The one billion people of stantial shift in Chim's thinking on the issue. Only two years ago, official Chinese publications referred to the "strange illusions" of pacifists in the West, and claimed that the peace movement was manipulated by the Cauler union lated by the Soviet union.

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to the Holders of Plessey International Finance Corporation plc

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NOTICE IS HEREBY GIVEN in satisfaction of the obligations imposed by Condition 6(A) of the Terms and Conditions applicable to the Bonds, the Bonds bearing the serial numbers listed below have been drawn in manner approved by the Trustee for redemption on 15th

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261	2084	1794 1811	2954 2964	4102 4109	4882 4686	7831 7837	11242	12748	15929	22651	23012	23372	23996	24441	24802
258 285	2011 2018	1630	2973	4116	4894	7150	11254	12794	15635	22657	23018	23374	23992	24447	24808
272	1025	1877	3034	4123	4700	7656	11:50	1,2634	15941	22164 23670	23024 23030	23384 23390	23998	24453 24459	24614 24620
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592 599	133M 1337	224R 2250	3480 3531	4381	5067	¥426	12:399	13218 13237	21236	2234(9)	23166	23524 23634	24212	24566 24664	24958 24964
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Bonds not listed above are not affected by this redemption.

Bonds drawn for redemption will become due and payable on 15th June 1984. Payment of the Bonds drawn will be made upon presentation and surrender of such Bonds with Coupon No. 15 and subsequent coupons attached at the office of any of the following: Morgan Gnaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, and at its main offices in Brussels, Frankfurt/Main, London and Paris; Kleinwort, Benson Limited in London: Credit Lyonnais in Luxembourg and Creditanstalt-Bankwerein in Vienna. Coupon No. 14 (due 15th June 1984) should be detached and encashed in the usual manner.

Interest on the Bonds drawn will cease on and after the 15th June 1984.

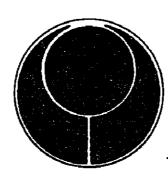
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Dated: May 16, 1984

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*These are just some of the companies for whom NKK has acted as managing underwriter in their latest equity issues in Japan.

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HONG KONG 1984-1997

During the course of negotiations between China and Britain, public opinion in both Hong Kong and Britain has been focused on the fear that the economy of Hong Kong and the well-being of its people will be disadvantageously affected by the change in Hong Kong's status after 1997. Consequently, some limited flight of capital has resulted, some vocal management executives are contemplating emigration, and some Hong Kong companies are changing their constitutional position.

London Export Corporation Ltd., with many other companies, organisations and individuals-particularly in Japan and the United States-consider these doom-laden expectations misconceived and unrealistic. They ignore the immense new opportunities that now arise for Hong Kong as China's billion people speedily develop their economic power with vigour and resources on an unprecedented scale.

The specific new dimension for Hong Kong is its increased and dynamic role, both in size and scope, as a major manufacturing region close to the Chinese market with special privileges and opportunities.

Therefore London Export Corporation (Holdings) Ltd, with 32 years of unbroken and consistent trade relations with China, invite discussions with industrial companies,

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- (b) concentrating on production of industrial products and equipment in the areas of advanced technology
- (c) recognising that the contemplated new status for Hong Kong provides a special basis for closer commercial relations with China
- (d) wishing to enter into partnership arrangements, joint ventures, or such other relationships as would be mutually and reciprocally advantageous.

Interested companies (principals only) are requested to make contact with us through, in the first instance, our bankers Brown, Shipley and Co., Ltd., Founders Court, London E.C.2 marked LECH).

AMERICAN NEWS

Honduran political pot bubbles

BY ROBERT GRAHAM, LATIN AMERICA EDITOR, RECENTLY IN TEGUCIGALPA

THE LID on political activity tion of the services command in Honduras is being lifted. In the wake of the ousting of the armed forces strongman, Gen Gustavo Alvarez Martinez, large demonstrations have been held calling for political freedoms and trade union rights, and the political docility of Honduras, chosen by the Reagan Administration as the backstop of its Central American policy, does not seem as assured as it was.

On May Day 60,000 people paraded through the narrow streets of the capital, Tegucigalpa. Another 40,000 marched through the second city, San Pedro Sula, Honduras's population of 4m is widely dis-persed and such concentrations of demonstrators are rare.

Two months ago, they would have been unthinkable. Honduras was in the tight, increas-ingly repressive, grip of Gen Alvarez, and the civilian elected president. Dr Roberto Suazo Cordova, appeared to be unable to prevent the latter's accumulation of power.

"We have been an incipient democracy for more than 100 years," says columnist and satirist Sr Guatamo Fonseca. "Everything always happens here last, and they say that, in Honduras, lead floats and cork

On March 30 a group of officers arrested Gen Alvarez at one of his luxury homes near San Pedro Sula. He was manhandled into signing his resignation and bundled on to a flight to Costa Rica; thence, he has moved to Miami.

His downfall was the result of a barracks revolt—senior officers resented his reorganisa-

structure, downgrading the traditional collegiate leader-ship. Others felt his political ambitions were becoming too naked and his military policy towards the Sandinista regime in Minaragua too administary policy. in Nicaragua too adventurist, according to Sr Efraim Diaz, the Christian Democrat deputy.

Civilians with links to the military also expressed their concern over Gen Alvarez's repressive methods: since he rose to power in early 1982 there have been 88 political killings and 105 "missing" persons, according to Dr Ramon Custodias, head of the Honduran Human Rights Com-mittee, an unprecedented level of violence for Honduras. Gen Alvarez had also alienated his colleagues with his business

stemmed from strong U.S. backing, senior Reagan Administraing, senior Reagan Administra-tion officials now concede he was "getting out of hand." But suggestions that the U.S. pro-moted his overthrow are vigorously denied, and it seems that Washington, caught unawares, sought at the last minute to ensure the outcome did not prejudice American interests in Honduras. interests in Honduras.

Even though his ascendancy

dealings.

new military commanders, headed by Gen Walter Lopez, have returned to the cumbersome collegiate style of leadership. At least 16 senior officers have been retired, re-posted or despatched to distant embas-sies. President Suazo Cordova has been unable to oppose any of these changes. People in Tegucigalpa talk of the "new government" when it is only the military leadership that is

Sr Diaz says: "There is hope that we will have greater liberalisation but it is most likely that things will continue as before, with greater polarisation." Gen Lopez has a reputation of being pro-American and is popular because of his exploits as a pilot during the 1969 war against El Salvador. He

has made it clear he wants to restore the military's image and combined with a more permissive attitude by the authorities to demonstrations, this has encouraged hope of change. The military's intentions will be tested by their handling of

the case of an electricity trades union leader, Sr Rolando Gon-zalez. He disappeared on March 18 after organising a strike for higher pay. His supporters say that he was seized by members of the security forces under orders from Gen Alvarez, and since the beginning of May, trade unionists have mounted a weekly vigil outside the Presidential Palace demanding an inquiry.

Opposition politicians are sceptical of the military's capa-city to purge itself and dis-mantle the security apparatus. "Gen Alvarez still controls the death squads which he formed and has collected substantial sums of money from leading businessmen which he can still use, says Dr Custodias. Though in exile, be feels that Gen Alvarez, at 46, is as dangerous In the past two months the as ever.

More immediately destabilising is the amount of pent-up feeling released by his depar-ture. A vocal minority is de-manding that democracy func-tion better; and in rural areas peasants have begun to insist on progress towards the agrarian reform which has been paralysed for more than five years, A sharp three year recession is compounding discontent. Falling export prices for bananas, coffee, sugar and timber, coupled with lower tax receipts, forced a 9 per cent cut in this year's budget. The sole item to increase was debt service costs which rose 30 per cent. The trade unions are restive over

gritai

and wage restrictions. The International Monetary Fund is pressing for sharp price increases in basic products and an end to the overvalued dollarlempira exchange rate, which has remained since 1931 at two to the dollar.

unemployment of 25 per cent

U.S. economic assistance, this year worth \$168m, is vital, but the rapidly increasing American military and economic involvement in Honduras is having repercussions. The U.S.-backed policy of confrontation with Nicaragua and support for the anti-Saudinista rebels has forced Honduras in many respects onto a war footing, over which the new military leadership is far less openly enthusiastic.

The Americans are confident of their welcome in Honduras and the daily problems of the bulk of the population have little to do with whether the U.S. is in the country or not, secording to Sr Fonseca. "The Press is controlled by people who support the status quo; and the majority of the middle class prefers massive U.S. aid to being less dependent. A minority is against the Ameri-cans; but their voice was not

heard until Alvarez left." President Suazo Cordova and his military mentors face a balancing act between keeping the lid too tightly in place and lifting it off too rapidly.

U.S. unlikely to back new debt initiatives

does not see a need for any for economic adjustment on the mit in London next month.

major new government initiaborrower countries "first and the triple and will continue to the characteristic and will continue to the mit in London next month.

In Washington, officials in the characteristic and will continue to the mit in London next month. debt crisis and will continue to support the existing strategy which the industrial world is following, a senior Treasury World debtors from the effect of rising U.S. interest rates.

official has said.

Speaking ahead of this week's meeting of the Organisation of Economic Co-operation and Development Ministers in Paris, the official said: "There is no chance in our overall approach," which is the control of the official said: "There is no chance in our overall approach," which is the control of the official said: "There is no chance in our overall approach," which the official said: "There is no chance in our overall approach," which the official said is the official said: "There is no chance in our overall approach," and the official said in the Third World.

Mr Paul Volcker, the Federal approach, "Reserve chairman, has also warned about the risk to the debtors of rising interest rates although he has pointed out too higher interest rates.

THE Reagan Administration which, he added, puts the need feature of the economic sum-

His remarks suggest the U.S. Mr Martin Feldstein, the chairmr martin reidstein, the chairman of the Council of Economic Advisers, have called for a shift towards a policy directed more towards economic growth

In Washington, officials like growth.

Commenting on the impact of rising interest rates on debtors, the Treasury official said he did not see that another 200-300 basis point increase in interest rates would "put high debt lessdeveloped countries in an unsustainable position." He said that faster economic growth in the OECD more than offsets

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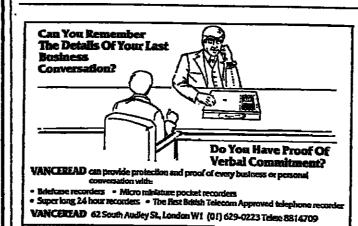
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August 1, 1984, pursuant to § 3 of the Terms and Conditions of the The Bonds will be paid in the United States of America at Commerzbank Aktiengeselfschaft,

New York Branch and outside the United States of America at Commerzbank Aktiengesellschaft, Frankfurt/Main Daiwa Europe N.V., Amsterdam

Societé Générale de Banque S.A., Brussels Schweizerischer Bankverein, Basle The Bank of Tokyo, Ltd., London

Kredietbank S.A. Luxembourgeoiso, Luxembourg The Bonds shall cease to bear interest as per July 31, 1984. The coupon as per August 1, 1984 will be paid separately.

Luxembourg, May 1984

Mol International S.A.

Marie

EC. Japa m mund

Britain signals change in stand on countertrade

BY ANDREW GOWERS

controversial but increasingly widespread practice of trying to widespread practice of trying to balance exports with reciprocal The guide provides a brief purchases, by launching a new, resume of countertrade prac-

Mr Paul Channon, the Trade Minister, told a conference organised by the National Economic Development Office (Nedo) in London that although it was inefficient and expensive, countertrade—otherwise known loosely as barter—was becoming an increasingly important feature of world trade, and as such could not be ignored.

"Countertrade adds layers of complications. uncertainty. delay and, above all, costs to any transaction," he said. "Wherever possible, the aim of the exporter must be to persuade his customers that their mutual best interests lie on more normal financing

arrangements. :
"But this may not always be possible, and it may be a matter of countertrade or no trade. . . . In countries where cash and credit are scarce, the continuing presence of UK firms through the recession may depend on their being able to fund their own supplies to that market." Countertrade, although well-established in Eastern Europe for decades, has been taking hold in the developing world in recent years in response to shortages of foreign exchange, falling commodity prices and

rising protectionism.

The General Agreement on and Trade (Gatt) estimates that counter trade now accounts for about 8 per cent of world trade.

Some independent estimates

THE BRITISH GOVERNMENT the new report, and all deleyesterday signalled a change in gates at yesterday's conference its approach to countertrade, the insisted that countertrade is more talked about than prac-

expanded guide to the subject tices and how they are applied for exporters.

Mr Paul Channon, the Trade

as well as warning exporters of the pitfalls involved. In some cases, it suggests, the exporter may gain negotiating advantage in trying to win a contract by proposing countertrade.

Hitherto, the Government has consistently tried to distance itself from the practice, leaving exporters free to engage in it if they saw fit, but studiously avoiding any impression of official encouragement.

the Gatt and the Organisation for Economic Co-operation and Development (OECD) have expressed disapproval for countertrade as an impediment to free multilateral trade.

Now, although it wants to leave the provision of countertrade services to commercial companies—barter services are something of a booming industry in London and elsewhere at present—the Trade Department says it is prepared to intervene with other Governments over specific problems
Mr Channon also promised
that if countertrade was raising
major problems for UK exporters, he was prepared to discuss them.

However, the Department's latest small step is unlikely to satisfy those exporters and countertraders who complain that the UK is lagging behind countries such as France, Sweden Austria, West Germany and Italy. *Countertrade—some

Some independent estimates ance for exporters. Available are much higher, although the British Department of Trade and Industry, which prepared London, SW1-0ET.

Debt crisis could recur, **New Zealand's PM warns**

BY OUR TRADE EDITOR

UNLESS structural problems of the world economy are tackled, the recent debt crisis will recur in 1986. Sir Robert Muldoon, Prime Minister of New Zealand, said yesterday.

The economic recovery being led by the U.S. was only a breathing space, Sir Robert told a meeting of the Overseas Development Institute in

He said he foresaw the reemergence of "even more serious debt problems, social and political upheaval among developing countries and further damage to the world trading system. These will finally threaten the recovery it-

Political leaders had a duty to find a new mechanism for north-south dialogue that took into account the interdependence of economies, he added.

Questions of trade, financial flows, external debt and the role to draw the "erroneous conclusions that domestic policy should be examined by a "manageable number" of required.



Maldoon . . . "foresaw erisis"

countries Sir Robert urged the leaders of the seven nation summit who meet in London next month not

EEC, Japan open way to new round of trade talks

BY PAUL CHEESERIGHT IN BRUSSELS

THE WAY forward to a new international round of trade negotiations, to succeed the Kennedy and Tokyo Rounds of the 1960s and 1970s, opened yesterday during talks between the European Commission and the Japanese Government.

Roth sides agreed in prin-Both sides agreed in principle on the desirability of a new round, and Japan appears
to have met EEC reservations
about the need for preparation.
They will continue their talks to define the objectives of a new round in parallel with work already going on at the General Agreement on Tariffs and Trade (Gatt) in Geneva. This work programme is scheduled to finish by the end of this year.

The Commission believes that

and U.S. urging because it was not clear what they wanted from it.

Mr Shintaro Abe, the Japanese Foreign Minister, listed four areas for negotiation in a

new round: services, high tech-nology trade, import safeguards, and agricultural trade. The last two are already the subject of talks at Gatt, following the ministerial council of 1982. The U.S. has been pushing for new international agreements on services and high technology without coming forward with precise proposals. Mr Abe led a Japanese dele-

gation in the first joint minis-terial meeting between the Tokyo Government and the

MAILING SYSTEMS

The Commission believes that it would be possible to have a high-level official meeting next year to define the aims of a new multilateral trade round.

Hitherto, the EEC has appeared reserved about a new appeared reserved about a new appeared in the food of largence. round in the face of Japanese on its Japan trade.

Philips-AT & T venture wins first big order

EINDHOVEN — Philips-AT & stallation is to begin next year. Telecommunications, the telephone-exchange system joint with optical fibre transmission equipment, are to be operatract to instal digital telephone exchanges in Barranquilla, Colombis.

The second stage of the order comprising additional

The order is the first major contract for the joint venture, which was established last year. The value of the contract was not disclosed for competitive reasons, an official said.

In the first phase of the order, philips AT & T will instal three exchanges of the 5 ESS-PRX type, including 50,000 lines. In-

The second stage of the order, comprising additional excanges and 50,000 lines, is still being negotiated and is expected to be concluded

shortly.
The 5 ESS-PRX equipment is The 5 ESS-PRX equipment is to be manufactured in The Hague plant of Philips-AT & T and is being supplied in lieu of digital exchanges initially ordered in 1981 from Philips.

AP-DJ

Vehicle curbs 'could hit international trading system'

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

IF MAJOR trade flows in try but the fall in demand; vehicles become permanently • When the world economy resubject to restrictions it would be a significant blow to the inprospects in the automobile and ternational trading system built components industries of the input cines World War II and dustrialized countries could, in up since World War II and dustrialised countries could, in could exacerbate existing ten-sions in the automobile indus-stable.

cars might be around 2 per cent a year for the period 1980-2000 but that growth will be lower than average in the indus-

It is not the increase in automation or "robotisation" which has caused the fall in employ-

trialised countries;

stable.

The automobile industry and between countries.

This is one of the major conclusions in a report on the world motor industry by the Organisation for Economic Concernation and Development. world motor industry by the vive by deriving the maximum Organisation for Economic Cooperation and Development.

Among the other points the report makes are:

The growth in demand for cars might be around 2 per relations.

the occasional discussions

Such co-operation might develop at national, regional and world-wide levels and thus

operate efficiently within the system of co-operation, most existing companies will probably continue to develop, perhaps not as independent individualised entities, but possibly in the context of very complex and highly decentralised groups."

The report says that, while governments should keep intervention in the industry to a minimum, "it must be recog-nised that they cannot dis-associate themselves from an industry which is a major sup-plier of jobs and is strategic, politically sensitive, and a source of technological pro-

gress,
"It is necessary to identify, at both national and interabout the number of companies national level, means of meet-which might survive would ing these two requirements seem to be outmoded. which may conflict in certain "Provided they continue to difficult periods."

ANNUAL RATES OF GROWTH IN CAR DEMAND 1970 TO 20000 1980-1990

North America Latin America n.a. 3.2 Africa na. 24 Total World Including Yugoslavia. † Including OECD Oceania and Middle East.

The OECD points out that the motor industry "slid hap-hazardly" into the present situation of restrictions on major vehicle flows, such as the limitation on shipments of Japanese vehicles to the U.S. In the "long term, the local and some major European markets, including France, Italy and the UK.

In the "long term, the local content of production will world automobile industry, 120 probably become a key issue in trade relations in the auto- or HMSO in the UK.

Australia, Brazil and Mexico among them.

mobile industry and there is some risk that more and more local content may be demanded. This would be detrimental to the future of the automobile industry as a

Dealing with the danger to world trade represented by limitations in the motor industry, the OECD declares: "In some rare cases, temporary trade measures may help a national car industry catch up on delays in technological in-

tendency for some countries to also isolates that nation's procontent for vehicles —
Australia Reserve the statement of the competition and this is a long-term danger to the survival of that industry."

Nippon Steel in Brazil ore shipping deal

venture Brazilian - Norwegian shipping company for the the ore from Brazil.

The Carajas project will send carriage of 2m tonnes of The contract states that two Japan 10m tonnes of iron ore Brazilian iron ore a year to be vessels each carrying about a year when it opens in 1986.

Nippon Steel will take a total project coming on stream in make 31 round-trips a year, Mr

July 1986.

Mr Makoto Yoshida, manager

of Nippon Steel's iron ore
division said that although the Brazil's Vale do Rio Does Nave

to reduce the cost of shipping

TOKYO — Nippon Steel basic terms are fixed, Nippon Navegaco SAS and Norway's Corporation has signed a 10- Steel has not yet decided on Wilh Wilhelmsen Ent Ltd As, year contract with a joint detailed arrangements designed who are building the new

of 4m tonnes, Mr Yoshida said. Brazil exported 24m tonnes of iron ore to Japan out of the total of 102m tonnes which it

Mr Yoshida said the 10m tonnes a year from the Carajas will not mean an in Japan's total project increase Some 5m tonnes will replace expired contracts with Latin America and South Africa and

substitute for depleted sources world-wide, and the other 5m will come from a reshuffle of present Brazilian sources, he added.

ECGD backs Colombo loan

BY OUR TRADE STAFF

the supply of goods and the construction of facilities for the development of the Colombo Airport in Sri Lanka.

The project includes the building of a new control tower shuffle of building of a new control tower jects of Rugby, Warwickshire, supply and navigational and meteoroby Airport and Aviation Reuter logical building and the instal-

THE EXPORT Credits Guaranteed tee Department has guaranteed a £15.6m loan to help finance gether with airfield lighting and peneral utilities. general utilities.

Finance has been made avail-

able by Manufacturers Hanover Trust of the U.S. The contract awarded to GEC Electrical Pro-

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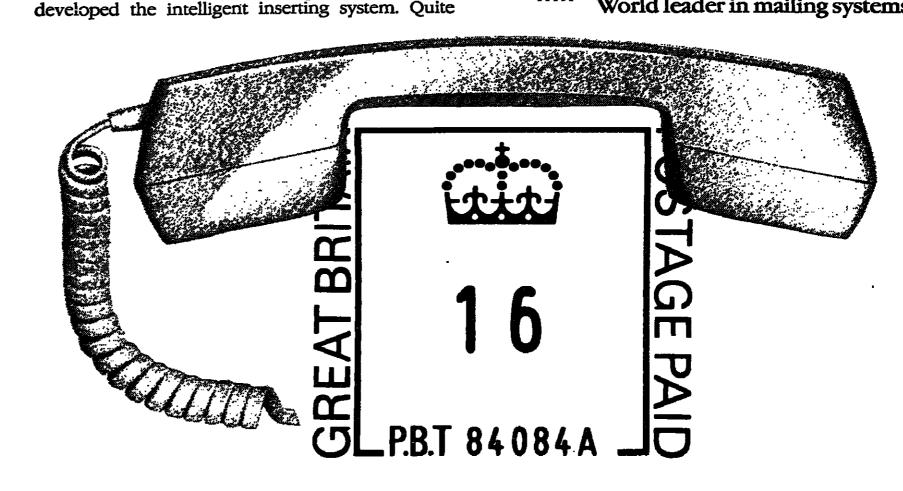
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UK NEWS

Margaret Van Hattem previews the Commons debate on Hong Kong

MPs resigned to colony's fate

years their Government has spent lavishly in flying Westminster MPs of the Hong Kong Government or of to the Crown Colony and making sure their visits were enjoyable as well as instructive. Yet now that the Teachers Association. chips are down and Britain is actually negotiating with Peking the ending of British sovereignty, the silence from the back benches in the House of Commons is deafen-

The Commons debate on Hong Kong todav is likely to be a low-key affair. It is to be an adjournment debate, so a vote is most unlikely. Moreover, there is no real pressu on the Government to do anything different from what it is doing. One or two mavericks may catch the Speakers' eye but in general the Government is not being urged to stand up to China, to respect the paramountcy of the wishes of the olonials or even to insist on water-

tight and enforceable guarantees. General Galtieri's invasion of the Falklands sent most MPs scurrying

deniably disappointed. In recent a third of Westminster's 650 MPs audience at Westminster. have visited Hong Kong - as guests a private sponsor as diverse as the Hong Kong Friends of the Earth and the Hong Kong Swimming

> This has produced a loose knit group of 100 or more MPs who feel they know something about Hong Kong and are broadly sympathetic to its predicament. Several MPs are believed to have financial interests in Hong Kong though only two list these in the register of members' interests. Since Britain accounts for only 6 per cent of foreign invest-ment in Hong Kong (compared with about 42 per cent from the U.S. and about 32 per cent from Japan) these financial interests are not considered substantial.

Nevertheless, whenever the Commons has debated issues like the Multifibre Agreement, the Nationalities Bill or even student fees, the interests of Hong Kong have al-

on the interests of Hong Kong's future after 1997. The pressure on Sir Geoffrey Howe, the Foreign Secretary, to declare publicly that no new agreement with the Chinese would be preferable to a bad agreement, comes mainly from Hong Kong not Westminster. Most MPs, however sympathetic to the colony, accept readily what the Prime Minister was forced rather less readily to accept that Britain is in no position to dictate terms to Peking.

The main assurance of Hong Kong's future, suggests 'Sir Peter Blacker, former Foreign Office Minister and chairman of the Anglo-Hong Kong parliamentary group They cite rich businessmen with is China's desire to preserve its many homes and business interests prosperity and stability. He emphasises Hong Kong's role in earning most of China's hard currency and Peking's desire to demonstrate over the long term to Taiwan that reuni-

CITIZENS OF Hong Kong are unbreached the current treaty, which But somehow, the Hong Kong group has not coalesced into a lobby ment which they will have negotiat-

His views appeared to be widely shared. Indeed many MPs appear to believe that the main threat to Hong Kong's stability comes not from negotiations between the British and Chinese, which appear to be making smooth progress, but from the lears and "refuger mentality" of the people of Hong Kong them-

Selves.
But, there is a feeling among MPs that the present business and community leaders in Hong Kong are more interested in shifting responsibility and planning their escape routes than in taking risks. in Europe and the U.S., and professionals who are acquiring qualifica-tions in Australia and Canada. route will give them sufficient confiways been spoken for. Important fication with the mainland need dence to stay in Hong Kong and as-visitors from Hong Kong can al-carry no terrors. He also argues sure its future is an open question.

Unions seek "sunrise industry"

THE LARGE unions this week announced recruitment drives in the largely non-union "sunrise" highechnology industries of

Thames valley, west of London. The Electrical and Plumbing Trades Union (EPTU) said it was offering a package deal to employers similar to some agreed elsewhere - providing for single union recog-nition of all staff and binding arbi-

The EPTU says the latter point makes strikes unnecessary although other unions accuse the union of signing away the right to

The Association of Scientific, Technical and Managerial Staffs (ASTMS) also gave details of a recruitment drive among what it calls the Thames valley's "M4 professionals." (Many of the "sunrise" compa- the area partly because of the nies have established themselves close to the M4 motorway which runs west from London towards Wales.) The union already has about 40,000 professional and managerial members and organises in nies with details of its binding arbithe larger computer companies

The scene could be act for a bitter recruitment war between the two old adversaries, although the longrecognised obstacles to union orgaDavid Goodhart reports on membership campaigns aimed at the staff of high-technology companies

nisation in the new advanced electronics/computer-based companies

could prove too much for both. The EPTU, which is starting a similar drive in Scotland, has characteristically put in the most back-ground work and is confident that e smaller units and relatively mobile and well-paid staff of the new

industries will still need unions. Mr Ken Biggs, an EPTU official at Reading in the Thames valley, has spent the past four months building up a dossier on more than 100 non-union high-tech companies

He said that many companies had taken the decision to move into union-free culture. But he argued that many had a misguided view of

from Reading to Bristol.

Mr Biggs said the union had already approached several compatration "package" and its ability to train and retrain workers at its own college. "We have already had a positive response from some," he

general secretary-elect, said: "There is a lot of hostility to unions in the area, particularly among the small firms and the U.S.-owned

good deal of misunderstanding, of-ten because it is the worst features ten because it is the worst features confident and optimistic but life is of trade unionism that gain attennot without its difficulties." The EPTU plans to recruit all lev-

els of staff and is concentrating as much on the small software companies as the large multinationals. ASTMS's efforts will focus on large manufacturing companies and particular groups such as their programmers or systems analysts.

ASTMS hopes to attract individual members first - rather than employer recognition - through a series of meetings in the next few

It has not had much luck from a similar drive launched in Scotland's "silicon glen." But Mr Roger Lyons, an ASTMS official, said the union was sowing the seeds for the next decade of unionism. He also claimed, from experience of visiting

ASTMS propaganda appeals unashamedly to the values of the wellpaid and status-conscious young professionals. You are ambitious and not afraid to admit it," it states. "You are prepared to change your "Our researches show there is a employer at critical periods during your career. The M4 professional is

Mr Lyons said those difficulties included lack of job security and negotisting expertise. "Many of these people could end up like 19th centuagricultural labourers taken on for the harvest and then laid off when the profits are syphoned

The union will be boasting about the number of £30,000 a year members it has and explaining how, for £3 a month, it can negotiate individual contracts as well as collective deals in the companies such as 3M, Ferranti, Racal and Gillette where it hopes to make inroads.

Ferranti recognises the union in Edinburgh but not at Bracknell in the Thames valley, where it says there is no demand. But many U.S. and studying California's silicon companies have a no Mr Eric Hammond, the union's valley that many of the larger units policy towards unions.

The leading German publishing corporation, Gruner + Jahr, has recently improved efficiency by installing a Philips MEGADOC information storage system for its journalists.

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PHILIPS

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16.00 hrs Local air time: Austria Finland 17.00 hrs France 16.00 hrs Germany 16.00 hrs the Netherlands 16.00 hrs Norway 16.00 hrs Switzerland 16.00 hrs United Kingdom 15.00 hrs

The international satellite station, Sky Channel, will be showing a fascinating film about Philips. The film - which has already won three major international awards - illustrates the strong innovatory character of the Philips company in a highly diversified range of areas and countries throughout the world.

Of course, Philips is a recognised innovator in many fields - and in particular in the field of

television and video. Not surprising, then, that Philips should now be one of the first companies to communicate with the public via satellite.

Sky Channel can be received through cable networks in Austria, Finland, Germany (Ludwigshafen), Norway, the Netherlands, Switzerland, United Kingdom (Swindon, Northampton) and the Méridien Hotel in Paris, France.

THE RULING authorities of Lloyd's cluded that so called "umbrella ar-

stamp out further abuses within in order to prevent irregularities.

the market's trading floor.

The move follows extensive gained admittance to the market abuses which have taken place in through an agreement with a

Retail spending recovers to record level

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

SPENDING in shops rose sharply in April to a new record more than British Industry warned that rising 3 per cent higher than the average interest rates could depress compafor the first three months of the ny investment. However, yesteryear, according to official figures day's retail sales figures suggest published yesterday.

retailers to the mild and sunny the rise in consumer spending.

weather, followed a month of rather

The figures confirm the suggessluggish business in March.

dustry's preliminary estimate for the April volume of retail sales was 112.3 (1980=100). This was 4.8 per cent higher than the level a year earlier, and suggests that business borrowing, and it is generally exwas even brisker than in the boompected that this increase cannot

sales comes as good news for the still rising considerably faster than Government at a time when the rise of interest rates in the U.S. and tion point of view - suggests that in Britain is casting a shadow over

Yesterday the Confederation of that economic growth will continue The sharp increase, attributed by to be given forward momentum by

tion of the last CBL/FT survey of re-The Department of Trade and In-tailers that the sales recorded in the

Strong consumer spending has been financed to a large extent by ing period before Christmas. continue at recent rates. However, the fact that average earnings are nrices - unwelcome from an inflasales may continue to increase for some considerable time.

dropped.

The exclusion of P & O, which has a much smaller ferry company, came as a surprise, however. This was decided because a necessary referral to the Monopolies and Mergers Commission would take too long to complete. investigations

Sealink

bid ban

angers

P & O

PENINSULAR and Oriental

Steam Navigation (P & 0) and European Ferries both reacted

angrily yesterday to the news that they would be excluded from the bidding for Sealink UK, the ferry subsidiary of British

The two diversified shipping companies had both stated their

strong interest in buying Scalink,

although European Ferries had been barred from bidding in 1981

on monopoly grounds.

The Department of Trade and

Industry said yesterday that Eu-ropean Ferries, which runs the Townsend Thoresen ferry com-

pany, would still not be allowed

to buy the company. The company had been pressing for the three-year-old ban to be

usually take six months or more and British Rail wants to sell Sealink by the end of June.

MINERS' LEADERS FAIL TO ACHIEVE NATIONAL STOPPAGE

Moderates reject strike call

BY JOHN LLOYD, INDUSTRIAL EDITOR

ATTEMPTS by the leadership of their union's area executive seeking the National Union of Mineworkers (NUM) to persuade miners in Notinghamshire and other Midlands coalfields to join the union's strike now appear to be hopeless.

Most miners in Nottinghamshire, the second biggest coalfield in the UK, have continued to work throughout the NUM's dispute with the National Coal Board (NCB). The dispute, which began more than two months ago, is over the NCB's rogramme of pit closures and relundancies.

amshire, Pye Hill and Sherwood, issued a writ against of their stance

their insurance market. Up to El0m

the Lloyd's market by outsiders

who have direct access to the trad-

ing floor in Lime Street, London.

a declaration from the executive that there is no official strike in the county. In an area ballot, Nottinghamshire miners voted against a strike and there has been no national ballot.

Mr Peter Heathfield, the NUM general secretary, has sent a letter to all union areas to say that they must delay elections for branch officials, which are due soon. It is understood that Nottingham area leaders had asked for this move on the grounds that the pro-strike officials in their area would lose their posts, because of the unpopularity

Lloyd's authorities stamp on abuses

of London yesterday moved to rangements" need extensive curbs insurance which has been placed.

worth of business could be turned sued yesterday the working party, than is reasonable. away from the market as 34 undechaired by Mr Keith Batchelor of C

Has failed to keep adequate rec-

Lloyd's broker under an "umbrella

at Lloyd's last summer, has con- sued a cover note of insurance sidiaries of Lloyd's brokers.

sirable business producers for T Bowring & Co (Insurance), has ords or books of account. Lloyd's are denied direct access to described how insurance brokers • Has failed to pass on

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MANAGEMENT AMIDST DIVERSIFICATION

A LONGSTANDING

COMMITMENT TO GLOBAL

PRODUCTION

Toshiaki Tsuchiya, Managing Director, Nissan Motor Manufacturing (UK) Limited

The NCB claimed at least 80 per cent of miners in the area were working yesterday, and that more Staffordshire

Evidence of continuing militancy came from South Wales, where miners' wives joined the picket lines outside the Port Talbot steel plant to protest against coking coal being sent from the plant to other steel works with lower stocks. Scottish dockworkers

threatened a strike at all 30 Scottish ports from Monday unless the inter-union dispute at the Ravenscraig steel plant is settled by then.

which does not correctly reflect the

Has kept premiums received

from clients for a longer period

Land Rover fortunes improve with big order for 110 model

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

four-wheel drive subsidiary, has made a significant turn for the better this year after recording a trading loss of £14m on its UK opera-tions last year, Mr Tony Gilroy, managing director, said yesterday.

He reported that the company had won its first major military order for the new 110 Land Rover, which was launched only a year ago and was not expected to capture military or government sales for some time yet. The British Ministry of Defence, for example, still has not finished its assessment of the

A Far East customer has ordered 900 of the new vehicles. Mr Gilroy said the customer had asked not to be identified and for the value to be withheld. But the contract was won in the face of the toughest competition Land Rover had ever faced

sureds, within a reasonable time, claims money paid by underwriters. Some 62 other Lloyd's brokers opramme which will lead to the conerating under umbrella arrangements will be allowed to continue as they are likely to become Lloyd's An internal working party, set up • The non-Lloyd's broker has is brokers in their own right or submajor hurdle by winning a plant mal level.

LAND ROVER, British Leyland's closure agreement for the Cardiff facility where 600 are employed. There had been a psychological

problem because redundant steelworkers and miners in the area had £13,000 each but Land Rover could not afford more than a maximum of £5,000 for the longest-serving work-

Although Land Rover had taken all Cardiff employees and their families to look at the Solihull facil-ities only 50 had decided to move when the consolidation takes place.

Mr Gilroy said that Range Rover vehicles were heading for record sales this year. The previous record was 13,300 in 1982. Land Rover was continuing to spend money on re-search in the U.S. to prepare for the future launch of the Range Rover in North America.

Mr Gilroy said that vehicle production was running at 600 Land Rovers and 300 Range Rovers a week, representing an annual rate Mr Gilroy also revealed that the of 41,500 and slightly up on 39,700 Land Rover rationalisation pro- last year. However, there was no sign of the recession in the Third solidation of all work on one site at World easing and this had cut the Solihull early next year was on tarproduction of kits for export by 50 get. The company had jumped a per cent or 300 a week from the nor-

ADVERTISEMENT

Employers warn on interest rate rise

BY PHILIP STEPHENS

Industry (CBI), the employers' body, warned yesterday that a furment projects. ther rise in interest rates could jeopardise Britain's economic re-

Sir Campbell Fraser, CBI president, urged the Government to follow the lead set by Japan and other European countries in resisting pressure to raise domestic loan rates in response to rising levels in

He said that last week's % percentage point rise in the base lending rates of most UK clearing banks would add about £135m to indus- vestment by manufacturing industry's costs in a full year.

The rise came in response to volume terms in 1984, the first anstrong pressures in the London nual rise for five years. markets because of the surge in U.S. rates, but the Govern- aged by the sharp increase in comment and Bank of England did little pany profits last year, while tax

crease in itself would not threaten to accelerate capital projects.

THE CONFEDERATION of British recovery, but it would cause businessmen to think again on invest-

He warned: "If this little hop in interest rates turns into a skip - or a jump upwards - then the recovery could be in serious trouble.

Britain was now moving from the phase of the upturn, the CBI presi-dent said. "But who is going to take his money out of the financial markets and help the economy grow if he can leave the money idle and just playing the financial markets?" The CBI is forecasting that intry will rise by about 7 per cent in

Investment is likely to be encouro discourage it. changes in the budget last March Sir Campbell said that the in- are expected to prompt companies

Fertiliser sales peak

BRITAINS AGROCHEMICAL in- creased by 42 per cent in the year, dustry showed an unprecedented to £215m.

Sales in the UK increased by 21 per cent jump in exports and a 26 per cent increase in overall

tion (BAA) yesterday, total sales by the industry last year were £890.8m compared with £546.9m in 1982. The BAA, said yesterday. 1983 figure is nearly twice the industry's sales in 1979.

Exports climbed to £381.5m, compared with £275.3m in 1982, due to is between £90,000 and £100,000 per favourable currency factors and the continued innovative strength of tries such as pharmaceuticals or UK-based manufacturers. Exports paints range from £33,000 to of herbicides, for example, in- £51,000.

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most of the increase was due to higher volumes, not prices. As a re-According to figures released by the British Agrochemical Association of the British A bers would wish it to be," Mr lan Abbott, executive officer of the

A survey of productivity and emsyment in the industry by the BAA shows that sales per employee year. Comparable figures for indus-

No withholding tax on bank deposits

THE ISLE of Man, in order to maintain its appeal as an offshore financial centre, will not be imposing a withholding tax on bank deposit in terest. Dr Edgar Mann, the island's Finance Board chairman, announced in the island's budget yesterday. Such a tax is due on UK bank accounts from next April.

Dr Mann said that bank deposits on the island, which have decreased because of banking scandals last year, are rising again and have now reached £1.7bn.

By Geoffrey Murray

he foremost characteristic of our company, which sets us head and shoulders above other Japanese automakers, has been our commitment to internationalisation. Since the mid-1950's, when we were planning our first overseas manufacturing plant in Mexico, we have made it our policy to produce our vehicles abroad." It is against this philosophical background that Nissan's recent decision to build a manufacturing plant on the site of the former Sunderland airport has to be viewed.

Currently the world's third-ranked manufacturer, Nissan's longterm goal is to account for at least 10 percent of worldwide car sales. It already has 24 overseas assembly and manufacturing companies in 20 countries. Celebrating its 50th anniversary last year, Nissan set the assembly lines moving at a pickup truck plant in Smyrna, Tennessee, which has ample space for expansion; it began commercial vehicle production in Spain through a majority share in a longstanding local manufacturer Motor Iberica, started production as a result of an established joint car project in Italy with Alfa Romeo and opened a third plant in Mexico. In Japan, meanwhile, it began production of the Volkswagen

"Policy Of Extensive International Cooperation"

According to company President Takashi Ishihara: "These events are significant since they embody two of Nissan's principal policies in overseas operationsinvestment in manufacturing facilities and cooperation with other leading car makers. The international automobile industry is in a phase of restructuring and, inevitably. everyone will have to take on more responsibility in an international sense. I foresee considerable activity between Japanese and European manufacturers, for example, in both joint ventures and technical exchange agreements. Our manufacturing operations in the region will play a key role in this."

inflow of Japanese vehicles. ment opportunities and assisting in the growth of automotive-related industries."

Looking ahead to the start of the U.K. project, Mr. Toshiaki Tsuchiya, Managing Director of Nissan Motor Manufacturing (UK) Limited, sees it developing pretty much along the same lines as the other Nissan overseas operations of the past two decades. The company has a strong belief that its foreign manufacturing facilities should reflect a mixture of the best features of both Japanese and local management and working concepts.

As far as Japanese input is concerned for example, Nissan is keen to see the idea of "participative management" develop to a level similar to that operating in its Japanese plants. By giving workers a sense of participating in the running of the plant and by creating a sense of personal responsibility in producing a achieve major gains in both output and quality control. A major reason



countries where it is already manufacturing in important overs both our local managers and every individual worker to produce a truly 'British' or 'European' car, whatever the specific need might be."

commitment to research and development, it spent £160 million in 1982 to develop the integrated Technical Centre in Japan. Currently, there are some 8,000 R and D specialists among Nissan's Japanese work force of 60,000, while more than four percent of the company's total net sales (in fiscal 1982, for example, this represented spending in the region of £430 million) is hudgeted for research activities in line with this commitment. The U.K. manufacturing facilities, as with all overseas operations, will eventually play a role in the company's push for safer, more efficient and technologically advanced cars in the decades

Out of this programme already has emerged Nissan's vision of the future in the shape of its research vehicle NRV-II, with a turbocharged, methanol-fueled engine and state-ofthe art electronics to enhance safety and save energy. The electronics systems and safety devices include a radar auto-cruise system for maintain-ing a steady cruising speed and avoiding collisions, a voice dialogue system which recognises driver commands and issues verbal warnings, and a computerised drive information system for automatic route planning and guidance. The experimental vehicle also

contains electronic warning systems such as a drowsiness monitor, which detects when the driver is nodding off and provides a sharp verbal jolt, and a tyre pressure warning device. Considerable attention has also been paid to structural design to reduce collision damage.

Another product of Nissan's utomotive technology is a special car for the handicapped one of the most advanced worldwide, which enables thalidomide victims and others who

do not have the use of their upper limbs to drive by using an ingenious system of controls operated mainly by

the feet.

The same stress on advanced technology goes into Nissan's production facilities, which now feature one of the world's highest levels of robotisation and automation. The company sees this less as a way of making more money than as a method of creating a happier atmosphere on the assembly line. Morale and motivation have improved because workers can now concentrate on more creatively satisfying tasks in the production process. Through learning new technical skills under company retraining programmes, workers have found challenging new positions within the company.

Within the next three years. some 400 to 500 British workers will have the chance to experience, first hand, the international management philosophy of Nissan, as it hires a work force for the first phase (Phase I) of the U.K. project (producing 24,000 cars a year); the second phase (Phase II) calling for production of at least 100,000 units and a work force of 2,700, will follow some time in the 1990's if all goes well. These workers, Mr. Tsuchiva stresses, will find a company that wants to give them as much responsibility as possible for the creation of high quality products.

Facts about Nissan In December 1933, two existing

Japanese companies formed the Dat Jidosha Seizo Company to produce Datsun cars. Exports began in 1934 and in the same year the company name was changed to Nissan Motor Co., Ltd. By 1940. Nissan was shipping its first knockdown sets overseas. Production in its first verseas manufacturing subsidiary in Mexico started in 1966, followed by car assembly start up in Australia in 1968. Nissan's automobile production has expanded rapidly in the past decade reaching over 2.5 million vehicles in fiscal 1984 which represents the third largest production volume of any automobile company in the world. There has also been significant business diversification over the years. Today, Nissan is involved in the manufacture of forklifts and industrial engines. textile machinery, marine engines and various watercraft, as well as solid-propellant rockets for the Japanese space programme.

*Quote from President Ishihara

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Charles of the Accepting Houses
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Cool ond over 71%
Call deposits 51,000 and over 71%
Call deposits 51,000 71%
Cool of the Accepting Houses
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Coo

BASE LENDING RATES

National Westminster... Norwich Gen. Tst. People's Tst. & Sv. Ltd. R. Raphael & Sons ... P. S. Refson & Co. Roxburghe Guarantee... Royal Trust Co. Canada J Henry Schroder Wagg Standard Chartered ...

Trade Dev. Bank 91%
TCB 95%
Trustee Savings Bank 9 %
United Bank of Kuwait 9 %

Cooperation with other car manufacturers is an old tradition in Nissan. Its move overseas has not been motivated by trade protectionism, and the attempts by a number of countries to restrict the

It would have gone ahead just the same, with or without external pressure. Internationalisation started as early as 1952 when Nissan signed an agreement with the Austin Motor Company to build its cars in Japan under license. Reviewing the period since the first overseas manufacturing plant was established in Mexico in 1966, Mr. Ishihara says: "The main motivation is a strong sense of international corporate responsibility. By investing in manufacturing plants as well as through our marketing activities, we believe we can contribute to the economies of the host countries, creating employ-

"Importance Of Local input"

good product, Nissan has been able to for Nissan's move into Britain with

manufacturing cars and trucks, is to eain greater local market input. Mr. Tsuchiya explains: "Nissan long ago realised the limitations of exporting finished products to major overseas markets from its Japanese plants. That is why we have been so enthusiastic about shifting the production emphasis to a multinational base. Our highly automated assembly lines in Japan do allow us a certain flexibility in turning out cars that meet local needs, but by markets, we can do a lot more fine tuning, if you like. When we start production in Britain we will certainly be looking for an input of ideas from

"Safer, More Technically Advanced Cars"

As part of Nissan's strong



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Britain and Japan plan to develop intelligent computer

BY CHRISTIAN TYLER, WORLD TRADE EDITOR

ple a Japanese invitation to collaborate in the race to build the first intelligent computer.

The Government's decision does not commit any UK company, but computer firms and universities are being asked by the Department of Trade and Industry (DTI) whether there are areas of research into the so-called fifth generation computer that could usefully be pooled.

Japan's proposals are still vague, according to a DTI official yesterday. Dr Timothy Walker, recently seconded to the ministry's Alvey directorate, said he is to visit Japan next month in the hope of identifying specific projects in which Brit-ish and Japanese scientists could join forces.

not to turn down offers of co-operation," he said, "but obviously that's not the same as agreeing to do everything they want to do." It would be for British companies

such as ICL and universities to decide whether the offer of working with Japan's Institute for the Generation of New Computer Technology (ICOT), was worth taking up. But the Government would want them to get involved in any propos-

BRITAIN HAS accepted in princial of interest to the UK, Dr Walker

Japan's international trade minis try, MITI, has repeatedly sought European and American participation in its programme to make the breakthrough to artificial intelli-

According to Mr Brian Oakley, director of the Alvey scheme, Britain seems to be the first country positively to accept the invitation. He said that the Government's decision to co-operate had been reached "in principle" in recent weeks.

There are said to be two or three areas already identified by the UK as ripe for joint research with the

In the U.S., two teams of compu ter scientists have been assembled to work on the intelligent computer.

ICL, the largest British-owned computer manufacturer, is among those that have been sounded out by the Department of Industry. ICL has agreements with Siemens of West Germany and Bull of France for joint research. It also has an agreement with Fujitsu of Japan for the manufacture of integrated circuits of ICL design and the sale of Fujitsu's big computers.

Bank of **Boston** starts UK factoring

By Our Financial Staff

BANK OF BOSTON yesterday launched a new subsidiary, Boston Financial, to serve the UK factoring and receivables financ-

Until last year the U.S. bank was in the market through a joint venture with Lloyds and Scottish which these two banks

Mr Brian Summer, general manager, said the company would aim at the high quality rather than mass market, serving companies with turnover between £0.5m and £20m.

Factors buy receivables off companies at a discount and take them on to their own books. It is a way for small companies unable to get large bank loans or unwilling to sell equity to raise

Factoring has proved a risky business in the past and several large companies, including Bar-clays Bank, have pulled out. The major competitors now are Na-tional Westminster Bank and

Mercantile sets wider horizons | Laker decision may

of Mercantile House Holdings, the international financial services group, this week announced a deal foreshadowed in February, which was the acquisition of a stake in stockbroker Laing & Cruickshank. What was unexpected and caught the City of London by surprise was a second deal - the acquisition of another discount house, Jessel Toynbee and Gillett.

Mercantile's purchase of a 29.9 per cent stake in Laing & Cruick-shank was not unexpected although to a "new breed" of securities house the name of the broker in which Mercantile was interested was not known until Monday.

better combination than just adding a stockjobber or market maker." In February, Mercantile acquired

Alexanders Discount, one of London's top five discount houses which act as intermediaries between the Bank of England and the banking system. But Mercantile's expansion into

the discount house world meant ex-

tensive rationalisation. At Alexanders, about 17 of the 46 staff, excluding the six staff engaged in computer operations, are to go and at Jessel, Toynbee & Gil-lett 15 out of the 41 staff are also to go in one of the biggest corporate shakeouts since the financial service revolution got under way in London last autumn.

John Moore, City Correspondent, looks at the moves by Mercantile House, the international financial services group, to create a Wall Street type of investment bank through its purchase of a stake in stockbroker Laing & Cruickshank and the acquisition

Mr Barkshire said that changes emerging which look like a typical Wall Street investment bank.

of another discount house, Jessel

Toynbee and Gillet.

These houses would be involved "We have chosen to go down the in all the markets. In the fixed in-discount house route," Mr Bark- terest markets they would be one of shire said, "and add to that a stock- the primary dealers. In the equity broker because we feel that it is a markets, they would be a brokerdealer. They would have strong research and corporate finance and a well-spread customer network for distribution purposes. He said Mercantile wishes to be one of those major securities houses.

"As no such securities house exist in London it is necessary to create one," he said. The Mercantile House strategy is to create a mirror image of the group's Oppenheimer Wall Street broking and investment

Alexanders gave Mercantile a dealing and market making capability, particularly in certificates of deposits, Treasury bills, short-datmonetary instruments. That, said Mercantile, gave it a capital base cent market share.

for its operations. The acquisition of Jessel Toynbee & Gillett added strength to the base, Mr Barkshire

"It will make us probably the third largest house. By combining the two houses we create a very strong management team. In the longer term, it gives a broader capital base to expand our activities, and create a more viable position to become a primary dealer."

Laing & Cruickshank, he said. would give Mercantile an institutional client list, providing it with a distribution network which was essential for market-making business in both equities and gilts. It would also give Mercantile a presence on the floor of the central securities market in London, a corporate finance department with a wide range of clients and a research ef-

Laing & Cruickshank was the similarity in style between its business profile and outlook to that of Oppenheimer," Mr Barkshire said. Jessel Toynbee & Gillett is one of the smaller discount houses and is a member of the elite London Discount Market Association.

"One of the attractions for us a

Its structure evolved through a merger of Jessel Toynbee and Gillett Brothers in 1982. For the last financial year ending April 5 1984 it disclosed net profits of £1.6m comed gilt-edged securities and other pared with £2.17m. Its merger with Alexanders could give it a 14 per

not clear airlines

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

ages claim by the liquidator of Laker Airways may prove to be over-

The Justice Department has given no reasons for its decision last week not to initiate any civil or criminal anti-trust action over allegations that a group of international airlines conspired to wreck a plan to refinance Laker.

It may well be that the consider ations that influenced its decision had more to do with the impact of any anti-trust law breach on the U.S., than on any aggrieved private

Considerations of U.S. foreign relations may also have played a part, given the interest of a number of

The alleged refinancing conspire cy forms the basis of one part of the attack by the liquidator, Mr Christopher Morris of Touche Ross, in a Washington district court where be is claiming damages against 10 air-lines - including British Ariways and British Caledonian - and two

McDonnell Douglas companies.
The Justice Department's grand jury is still investigating other menting on the Justice Departaspects of the Laker collapse in-ment's decision or its implications

THE VIEW of a number of Euro- a conspiracy to destroy Laker by pean airlines that the U.S. Justice fare price-fixing. It is on that al-Department has got them off the leged conspiracy that Mr Morris hook in the \$1.1bn anti-trust dam- has founded the other part of his

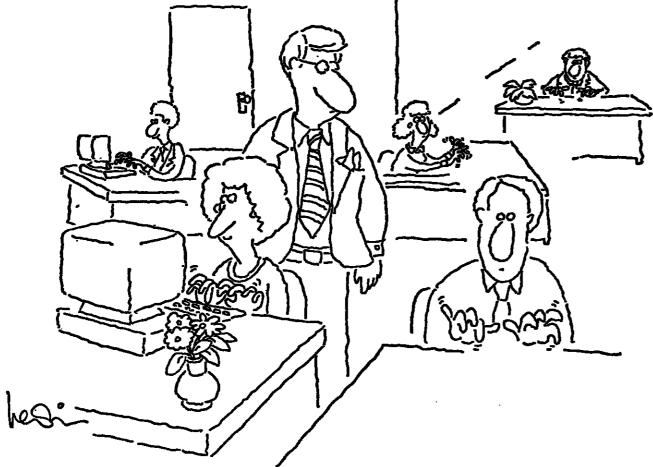
> McDonnell Douglas and three of the airlines involved - BCal, Lufthansa, and Swissair - are taking the view that the Justice Department's decision removes them entirely from the grand jury investigation. They say they are not involved in any fare-fixing probe.

> Lufthansa and BCal at least are of the opinion that the Justice Department has removed the basis for any civil claim against them by Mr Mor-

> It would not be surprising to find others among the airlines Mr Morris has sped - Sabena Ki M Scandinavian Airlines Systems and a French airline, Union de Trans-ports Aériens (UTA) - adopting a

Those who would appear still to be at risk from the grand jury are British Airways, Pan American and Trans World who were Laker's competitors on the London-New cluding, it is believed, allegations of for Mr Morris's action.

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RESULTS FOR THE YEAR ENDED MARCH 31 1984 AND DECLARATION OF FINAL DIVIDEND 1963 R000 229 451 233 092 Amortisation of mining assets 16 356 5 197 14 029 4 779 21,553 19 008 210 443 Profit before taxation 24 911 67 848 29 100 62 191 South African normal 91 291 118 780 119 152 5 708 Profit utitributable to shareholders of Amenal 169 200 113444 No. 121 of 50 cents per share declared November 8 1983 ... No. 122 of 95 cents per share declared May 15 1984 12 228 12 220 24 439 890 446,8 145.9 24 439 890 464.2 145.0 Number of shares in issue

Earnings per share (cents) Dividends per share (cents)

Dividend cover Net expenditure on fixed and mixing essets The annual report will be posted to members on or about June 4 1984. DIVIDEND NO. 122

Dividend No. 122 of 95 cents per share (1983: 95 cents per share), being the final dividend for the year ended March 31 1984 has been declared payable on July 6 1984 to members registered in the books of the company at the close of business on May 30 1984. This dividend, together with the interim dividend No. 121 of 50 cents per share declared on November 8 1983, makes a total of 145 cents per share (1983: 145 cents

per snare).

The transfer registers and registers of members will be closed from May 31 to June 17 1984, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about July 5 1984. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on June 4 1984 of the rand value of their dividends, less appropriate taxes. Any such shareholders may, however, elect to be paid in South African currency provided first the request is received at the offices of the company's transfer secretaries in Johannesburg or the United Kingdom on or before May 30 1984. The effective rate of non-resident shareholders' ax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED Secretaries per: A. H. J. Millenser Principal Secretary
Registered Office:
44 Main Street
Johannesburg 2001

Transfer Secretaries: Consolidated Share Registrars Limited 40 Commissioner Street Johannesburg 2001 (P.O. Box 61051 Marshalltown 2107) and Charter Consolidated P.L.C. P.O. Box 102 Charter House, Park Street Ashford, Kent TN24 8EQ

London Office: 40 Holborn Viaduct

May 15 1984

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Pensions, they're not just changing the rulesthey're changing the game! Company pension schemes are under attack.

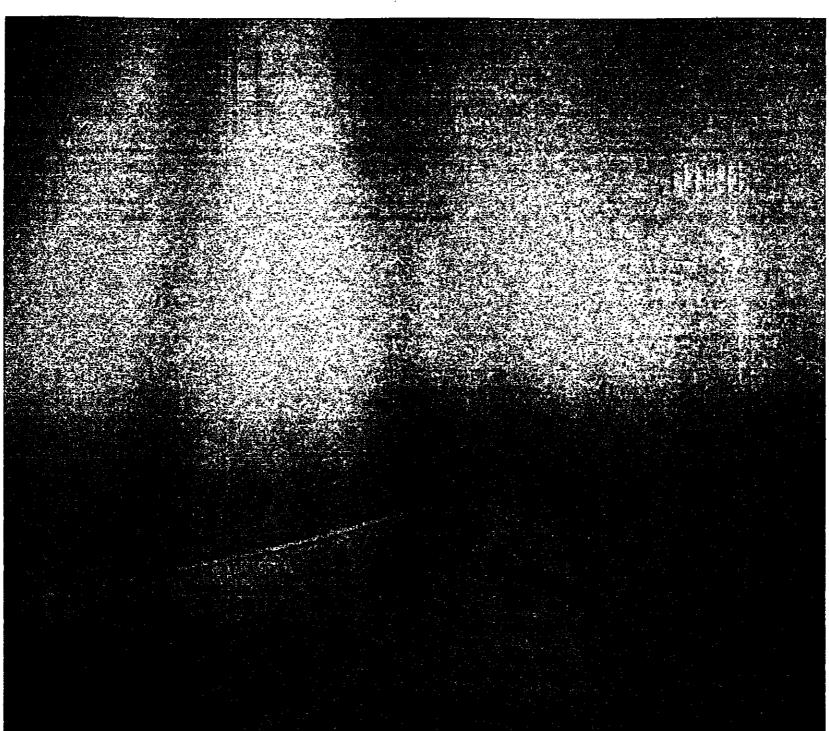
Norman Fowler's Committee of Inquiry has heard evidence on portable pensions, early leavers, disclosure, solvency and retirement ages. What will they do next? One thing is certain. Directors and managers responsible for company schemes need advice. Now. And they need the best. Ring Noble Lowndes today and mention this advertisement.



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PLESSEY OFFICE Systems bas immched a smaller ver-sion of its IDX exchange

. The company claims to

have sold 450 of its large IDX digital electronic PABX (private automatic branch

exchange) and to have cap-tured a two-thirds market share in the UK for such

Known as the IDX-SN, the

new exchange can offer fully integrated voice, text and data transmission; via a sult-able coder (coder-decoder), it

can also deal with compressed video transmission.
The exchange is aimed at erganisations needing between 40 and 300 extensions.

As well as operating as a stand-alone digital PABX, the new IDX-SN can also operate in a multi-site network, pre-

viding fully digital working

Many of the features and facilities of the larger exchange are provided on the smaller version. As well as being able to switch both

voice and data, the SN enables users to connect to

a wide range of feature and display phones, as well as office microcomputers and existing terminals. Plessey believes the unit will pro-vide a sound foundation upon which smaller nears can be it.

which smaller users can build an integrated electronic

omee.

The machine will be marketed through Piessay Communications Systems, Tele-

munications Systems, Tele-phone Rentals and British Telecom Merlin.

tool's turret by a draw bar and

aimed at smaller business

CRIVE TO MAKE SOLAR SYSTEMS ECONOMICALLY COMPETITIVE

Sunrise industry takes stock

BY COSTIS STAMBOLIS, RECENTLY IN AMSTERDAM

SOLAR heating has not yet reached a mass market despite billions of dollars invested by governments and industry alike. So says Professor Brian Brinkworth, head of the solar energy unit at University College, Cardiff, a leading UK research laboratory on the subject.

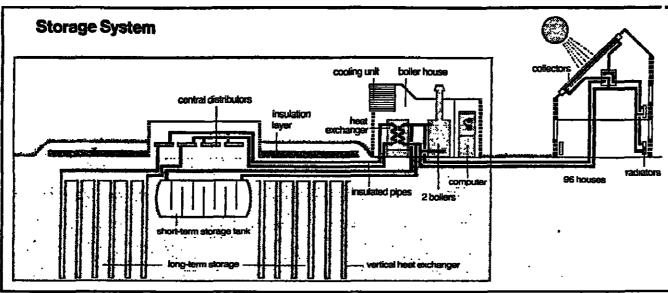
Prof Brinkworth was speaking as chairman of a recent con-ference run by the European Community in Amsterdam.

Today, observes Brinkworth, we are obviously in a much better position, technologically speaking, than we were in 1974 when most people started to become aware that solar energy could be successfully tapped. Many new components and materials have since been developed and we are also capable of carrying out reliable performance tests for solar collectors and designing solar systems using proven design methods

"What clearly emerges from the discussions and the papers presented at this conference is that solar research should now entrate in the development of systems which have defined erformance and a combination of cost and service life which can make them economically competitive," said Prof Brink-

Solar manufacturers tend to acree with researchers like Brinkworth and his American colleagues such as Prof Bill Beckman of the University of Winsconsin, who has pioneered the widely-used F-Chart design method. Beckman says: "Most of our design problems are now almost tackled, refinements could, of course, be made and more accurate solar radiation data obtained, but most important of all is to start applying now what we have learned and what we have already validated by many years of field trials. Solar industry together with architects and engineers involved in energy efficient design could benefit now especially as personal computers, for which our easy to use design methods are geared, are becoming more widely acces-

The solar industry is busy consolidating its position in a slowly expanding international rather than seeking dramatic-



tives of leading U.S. and European industries at the Amsterdam conference, second generation solar collectors are appearing and systems and development is now aimed at pool collectors has dropped, or high corrosion and high at worst remained unchanged, intends to increase its efforts, pressure resistance, choice of making those two applications especially in the educational surface treatment, flexibility in cost effective especially in and demonstration/promotion collector sizes, module stancollector sizes, module stan-dardisation and the integration of solar components into the building structure.

Equal importance is now placed in auxiliary and ancillary equipment such as water stor-age tanks, valves, differential control units and drain down systems. Although third genera-tion solar vacuum collectors, such as those made by Sanyo, Philips, Thermomax and General Electric in U.S. now appear on rooftops. Their use is on rooftops. Their use is generally limited to large pro-jects like the interseasonal heat store at Gröningen in West Germany, specialised industrial and agricultural applications and for space cooling and refrigeration where continuous high performance and relatively high performance and relatively high outlet temperatures are

Evacuated tubular collectors are still considered by several market by concentrating on solar experts to belong to the product quality and durability, exotic part of the solar hardware spectrum. Their current ally to improve performance cost is clearly prohibitive for yields. According to represents- mass application.

On the other hand, as prices reported at the conference revealed, the real cost of domestic thermosyphon type solar water heating units and swimming Spain, Italy, southern France and Greece. In Greece alone the heating market claims more than 200,000 installed units while the total for the European Community may exceed

the 450,000 mark.

An estimated 600 companies use solar collectors). In most cases return on investment can be achieved in less than five

every year and even in the UK's poor solar conditions they can be cost effective. The European Community, which has already backed several R and D projects in this area,

some cases amount to 70 per cent. were to be removed. Lof admits having been taken back by solar's exponential growth over the last 10 years, but he wished that suppliers should have been more prudent and intelligent in their market

Dr Harry Tabor, another chairing the Scientific Research

believes that new forms thermaly storage are much needed to improve the effi-ciency and usefulness of solar viably is essentially an exercise in materials technology: the low energy density calls for large area collecting device that must be low in cost and

solar radiation calls for some form of energy storage. Tabor

On the other hand, the future

AUTOMATED MANUFACTURE

Robots assemble cylinder heads

BY LORNE BARLING

velop an automated manufac quality." turing system for cylinder head. Negotiations with Marwin assembly at Austin Rover with and Unimation began with a £800,000 contract for Marwin Production Machines of Wol- cision engineering tolerances. verhampton, West Midlands.

Initial work by Austin department, with its extensive computer-aided design re-sources, was carried out—both in simulation and application to develop the computer programs and systems models required to control the actions

Having proved the feasibility of the system, Austin Rover went out to tender and Marwin has emerged as the winner, using the latest robot technology of Unimation (Europe) of Unimation (Europe), the U.S. company's Telford-based subsidiary.

Marwin's system, due to be installed and fully operational by January next year, will perform all the functions necessary in the assembly of cylinder heads, for 1.6 and 2.0 litre overhead camshaft engines, in-volving mechanical engineering. control engineering, manual and fully automated assembly.

The project to develop an automated manufacturing system of this kind was conceived two years ago following an exon the application of new technology in manufacturing, much of which has been done in conjunction with Warwick Univer-

Austin Rover said: "We obviously knew the best way to assemble our products but what we needed was a company with we needed was a company with Marwin's expertise to present us with a total manufacturing system that would allow flexi-bility, so that we could assemble reject having been identified

A TWO YEAR project to de-line, and more consistent

flexibility and consistently high number of searching trials to ensure that robots could perquality, has resulted in an form the assembly techniques required to acheive high pre

One of the most difficult problems to be overcome by Rover's production engineering Marwin was in the design of special compliance devices used by the robots to grip the many varied sized and shaped components assembled in the cylinder heads.

Also, identification of the engines, S series petrol 1.6 litre or 0 series 2.0 litre, which could be intermittently produced de-pending on market demands for particular engine types.

This was further complicated by the different assembly tech-niques encountered on each model and the need for further flexibility when new engine types are introduced in the future. These "forward think-ing" attributes had to be built the system to allow total flexibility.

The robotic assembly of cylinder head is claimed to be one of the most demanding applications undertaken by Austin Rover to date and includes a tappet assembly to an accuracy of between plus or minus seven ten-thousands of an inch at a production rate of 103 per hour.

The FMS assembly line in-corporates both power and free palletised conveyor systems, a number of automatic stations for nut-running, valve actuation and cotter assembly operations, together with other associated for total flexibility.

more than one product or de-tivative of a product down the coding system.

Flexible tooling with micro control

diameter.

A FLEXIBLE tooling system at MACH 84 in Birmingham in tools from the drums under with its own microprocessor June, It uses two 60 station tool microprocessor instruction, take control which can be adapted drums which can be loaded with there to a holding position and readily to fit all kinds of lathes a variety of tools in three sizes afterwards return them. Holders has been introduced by Karl of holders of 40, 63 and 80 mm are locked into the machine Hertel of Nuneaton.

Known as Hertel FTS, the An overhead loading and located by mating coolings, system will be shown in action unloading system will remove More on 0203 386279.

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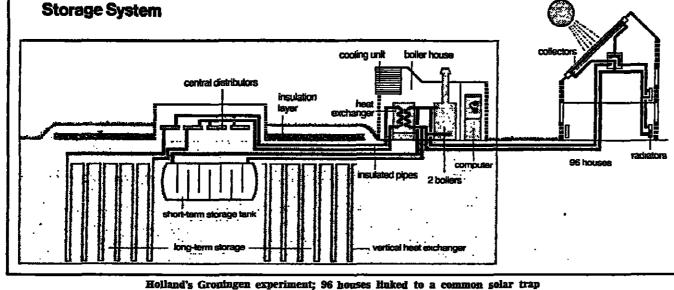
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Third generation

are involved in manufacture and distribution. Solar passive buildings have attracted con-siderable funding both from the governmental and the private sector. These buildings are designed to make the most of the national climates seasonal warmth. For example most homes are south facing with windows concentrated on this side to collect heat more efficiently. Passive solar techniques are generally low cost, they rarely absorb more than 8 per cent of a building's construction budget and payback is half or less of that for equivalent active solar systems (which

and engineers of passive methods and design procedures. Dr George Lof, with more than 45 years experience in the business, is now the chairman of Solaron, a leading U.S. solar systems manufacturer. He believes that cost is still pro-hibitively high for all solar applications, apart from passive, and that tax credits will be essential for a few more years if solar is to stay and develop

In fact, says Lof, the solar industry in the U.S. would collapse overnight if state and federal subsidies, which in

Thousands of solar passive chairing the Scientific Res buildings are now being built Foundation in Israel.

durable, underlines Tabor. Similarly the intermittency of

views the development of interseasonal storage as a major technological challenge which is likely to have widespread applications in northern climates. This will reduce heating costs per average dwelling unit. The use of common hydrates, such as Glauber Salts, or salt hydrates is now seen as less likely to succeed in view of their poor reversibility characteristics.

seems a lot brighter for such novel storage concepts as the "salt gradient solar pond." This is an improvement of the non-convective solar pond which was first developed by Tabor himself. Here the combination of a solar collecting area (which is really the surface of the pond) and the storage volume solar pioneer well known for all in one unit, plus the elec-his early work on selective tricity generating potential of spectral surfaces, is currently the solar pond are factors which greatly appeal for commercial development.

SOCIETE GENERALE

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The instructions, specifications and forms which comprise the Bidding Documents will be available upon a non-refundable payment of US\$100 (one hundred dellars) or the equivalent in other currencies at the

following address: COMPANHIA VALE DO RIO DOCE

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CEP — 20.030 — Rio de Janeiro — RJ Brazil
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Sealed Bids will be received at the above-mentioned address until July 17, 1984 at 2:00 pm, Rio de Janeiro time.

Each Bid shall be accompanied by a Bid Bond for the amount of US\$40,000 (forty thousand dollars) or the equivalent in other currencies. Bid for partial quantities of Elastic Fastening Clips shall be accompanied by Bid Bond for proportional amount.

Purchases and Material Superintendency. Rio de Janeiro, May 16, 1984



Companhia Vale do Rio Doce

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THE PLATES

CVRD — Companhia Vale do Rio Doce will purchase 1,010,000 Tie

Plates through international competitive bidding.

CVRD received a loan from the International Bank for Reconstruction and Development (World Bank) towards the cost of Carajás Iron Ore Project and intends to apply the proceeds of this loan to eligible payments under the Contract for which this Invitation to Bid is issued. Participation in this Bid is limited to suppliers established in all member countries of the World Bank as well as in Taiwan and Switzerland. The instructions, specifications and forms which comprise the Bidding Documents will be available upon a non-refundable payment of US\$100 (one hundred dollars) or the equivalent in other currencies at the following address:

COMPANHIA VALE DO RIO DOCE—CVRD
Superintendência de Compras e Material—SUMAT
Rua Santa Luzia, 651—31° andar
CEP—20.030—Rio de Janeiro—RJ Brazil
Telex: (021) 23205, (021) 21975
Sealed Bids will be received at the above-mentioned address until

July 17, 1984 at 2:00 pm, Rio de Janeiro time. Each Bid shall be accompanied by a Bid Bond for the amount of US\$40,000 (forty thousand dollars) or the equivalent in other currencies Bid for partial quantities of Tie Plates shall be accompanied by Bid Bond for proportional amount.

Rio de Janeiro, May 16, 1984 Purchases and Material Superintendency

HOSPITAL INFORMATION SYSTEMS VENDORS

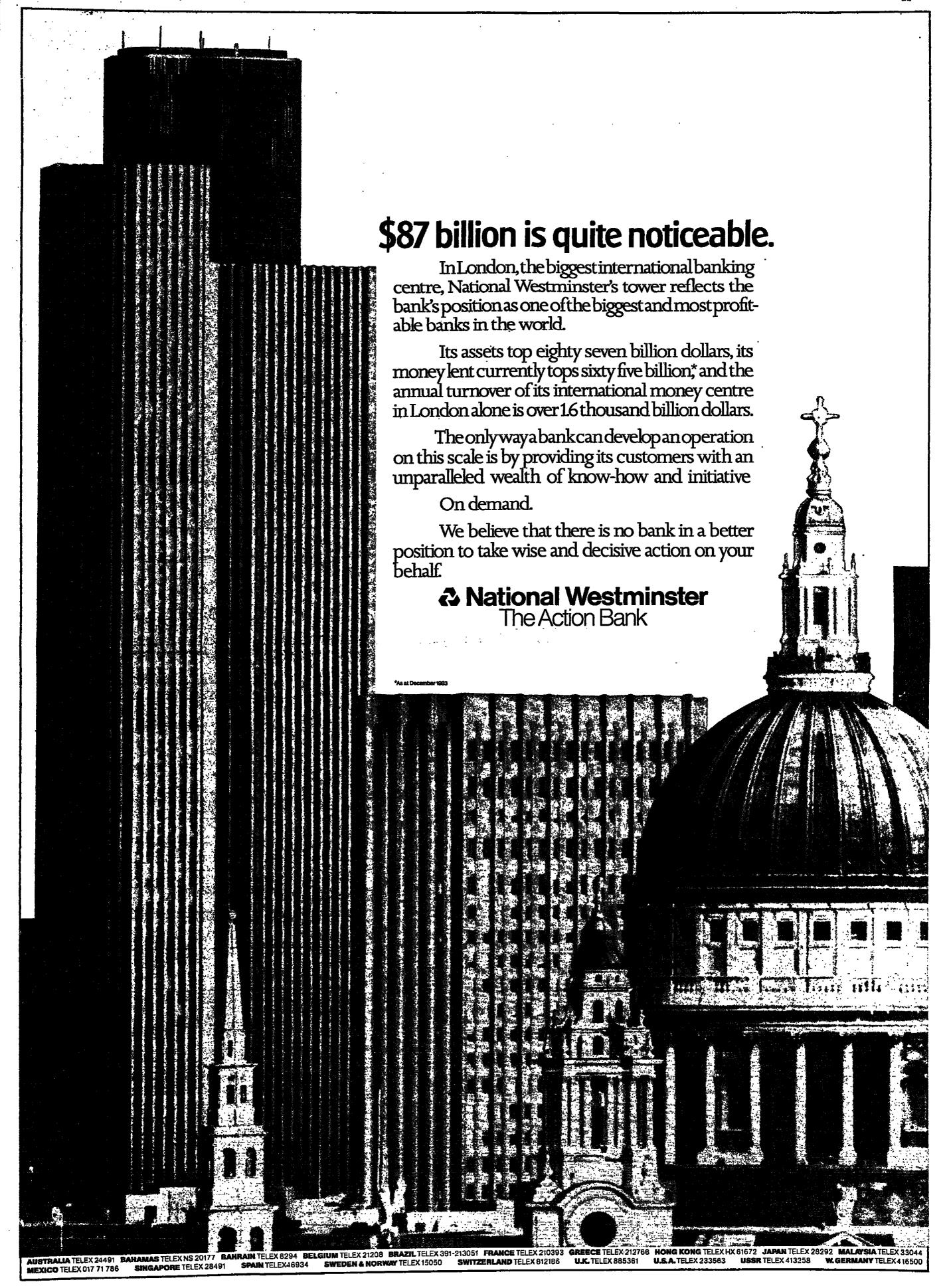
The Riyadh Al-Kharj Armed Forces Hospital Programme, one of the world's most advanced medical centres, provides sophisticated health care services to an eligible population of almost 160,000 people.

In order to serve our expanding requirements for state-of-the-art automated information systems, the Programme seeks to identify companies capable of supplying integrated database - orientated applications software. It is expected that the selected software will guide subsequent decisions on the acquisition of support hardware. Systems installed in the Programme may well serve as models for future installations at other related sites in the Kingdom.

The initial procedure involves the completion of a questionnaire and a contractor's qualification statement. Companies who would like to be considered as potential vendors are invited to write to the address below requesting these documents. At this stage, further information relating to this substantial contract will be made available:

> Mr. George Ahlin. Director of Computing, Riyadh Armed Forces Hospital, P.O.Box 7897. Riyadh 11159, Kingdom of Saudi Arabia

Letters should arrive on or before June 1st, 1984.



Pleaser hinks

control

A tight rein on Elf's N. Sea venture

By Dominic Lawson

have its own North Sea oilfield, Alwyn North. Total, the
operator, has a third stake in
the field, which contains 200m
barrels of oil and almost a
refining and supply operations
trillion (bn bn) cubic feet of
throughout France. gas. But the man who controls the purse strings, worth £1.6bn, is the managing director of Elf UK, which has the dominant two-thirds stake in the

He is Arnaud Rosseau, 48, tall, thin, chain-smoking time of such a m risian. M Rousseau thinks as North Alwyn.

"Intelligence during the course of a project is the most dangerous thing. I say to my staff working on Alwyn, 'You must not be intelligent. Just do what we said we'd do when we started the project in 1982. Forget about improvements."

M Rousseau's belief is that disasters most easily result from maginative staff attempt-ing to save costs by incorporat-ing recent technological innovaing recent technological minova-tions on an ed hoc basis. He holds the Frigg gas field, Elf's previous major North Sea pro-ject, as an awful warning. "We were terribly shocked by Frigg, the costs were close to three times the initial forecast. It's in marketing the product, not very difficult in the North Sea the crude." to stick to budget."

attempted in the North Sea, costing on M Rousseau's own admission \$20 for each barrel of oil produced. "It will never be very profitable," he says, Berkeley Exploration. but I consider it low risk. We years ago Elf was unwise have assumed a constant of have assumed a constant oil enough to buy nearly 30 per

In some ways M Rousseau's English entrepreneur Mr Paul key role in one of Elf's biggest Bristol, for 325p per share.

In that job, he had closed three refineries, and it was perhaps his reputation as someone who could take the tough decisions that prompted his masters to put him in charge of Elf's UK operations, at the time of such a marginal project

he knows the secret of a successful North Sea development project.

M Rousseau is also conducting a review of Elf's retailing network in the UK. He readily concedes that Elf's 3.5 per cent share of the UK market is on the low side, but his willingness to drive for an increased share is held in check by what he has seen of the market.

Extra cost

"The marketing companies are crazy. Who will fill your car except the oil industry? But the industry is fighting to cut prices below break-even. The Middle East is now operating its own upstream, so the profits don't go to the oil companies like they did. But we handle nearly all the marketing. handle nearly all the marketing. So the profits should be made

In the case of North Alwyn, in the UK of forecourt games, M Rousseau's dogmatism is M Rousseau expostulates, "I going to be needed. The project don't like it. It's absurd. It's is just about the most marginal attempted in the North Co.

Elf's unlikely UK bedfellow, at least on the Stock Exchange, is the small UK independent cent of the equity from the

more than £1 each, at which point Mr Bristol rubbed salt in the wound by starting to buy back into Berkeley's equity.

loosened if not actually severed.
"The days of Elf with a field stake of 66 per cent, but no operatorship, are over." he says. M Rousseau tries to justify
Elf's strategy, begun before he has said that it will look more arrived in the UK, as "a favourably on ninth-round

IN A few years France will oilfield developments was an Unwise, because the shares North Sea links between Elf Alwyn development costs. have its own North Sea oil- odd appointment by the parent drifted down steadily to little and Total will have to be M Rousseau's problem, controlled oil company were to attempt to outbid small UK independent oil companies. However, M Rousseau says: The Department of Energy



pation with this sector of British industry." But seeing a disbelieving gaze, he is unable to keep a straight face. "OK, all right, we would not want to

A side effect of the Berkeley affair is that M Rousseau has been on the board of a UK company, which he is honest enough to describe as "a very expensive training, not worth the money it has cost us."

Elf UK is now planning its ment's forthcoming minth round clear from M Rousseau that the against the formidable North

demonstration of our preoccu- applications from oil companies pation with this sector of which offer to explore the hazardous deep water frontier areas, such as west of Shetland. M Rousseau concedes that Elf might have to play the depart-ment's game, but he has no illusions: "Let's be brutal, we can call it blackmail."

Despite that remark, he appears to have a high regard for the department. When a few months ago BP offered oil companies the chance to buy stakes in the prolific Forties response to the UK Govern- field, Elf saw its chance to gain some valuable production, the of oil and gas licences. It is tax on which could be offset puzzled by what he calls the he says, "I decided never to

M Rousseau's problem as he politically difficult for the UK Government if a French state-

So Elf plunged in aggressively, and ended up with 1.5 per cent of the Forties field at a cost of £45m. That was more than any other company achieved in the tender, and was doubtless gained at the expense

According to M Rousseau that was a good example of English free enterprise. "If the roles had been reversed, it would have been unacceptable to a French government." React quickly The incident also illustrates the nature of the relationship between Elf UK and the parent company, Elf Aquitaine. The budget for Elf UK is agreed with the parent in Paris. But if

something unforeseen should crop up, such as the Forties deal, then the UK offspring can react quickly, even if it means After two years in the UK, following a lifetime's work in France, M Rousseau has allowed at least one English influence on his lifestyle. He has switched from chain-smoking Gauloises to the less potent Silk Cut. But, from the dubling perspective.

M Rousseau is continually Algeria. When it was all over,

attitude" in England. The

pleasure to see us fooled. They liked to think that we have so little experience in industrial

little experience in industrial matters that we can be sold anything." Arnaud Rousseau, however, is not in the least embarrassed.

"I am proud to be with a company that took that chance. As the Avis man says, 'We try harder.' I hope I would have had the courage to take that risk." In answer to the charge that Elf's position as part of the French state distorted its commercial judgment in l'affaire snifter, M Rousseau retorts: "It has got nothing to do with patriotism. The amount of money at stake—about the equivalent of 10 exploration to the possibilities."

Dr William B. Eisen has been named president of COLT IN-DUSTRIES, crucible compaction metals operation. In Oakdale, Pennsylvania. Dr Eisen has served since 1980 as vice-president and general manager of the operation.

PHH GROUP has elected Mr Robert D. Kunisch president, chief operating officer and a member of the board. He was an executive vice-president with responsibilities for all relocation, facility and area development services. PHH Group is based in Maryland, U.S.

Mr John R. Opel, chairman of the board of IBM, has been elected a member of the TIME INC board. He was appointed president of IBM in 1974, added the title of chief executive in 1983.

Clearly M Rousseau finds it difficult not to express his thoughts bluntly, even if it in-

rrom the dubious perspective of passion for honesty to his time one who both lives and works as a lieutenant in the French in Knightsbridge, he regrets army during the Algerian war, that he finds London's architect. Lt Rousseau told his man ture "unlikeable."

Governors of NY

INTERNATIONAL APPOINTMENTS

insurance exchange

attitude" in England. The media's delighted wallowing in the Elf oil-snifter affair clearly confirmed his worst suspicions.

The "oil snifter" was a confidence trick played on Elf, which between 1976 and 1979 acquired a process purporting to be able to detect oil using airborne equipment. The "scandal" broke around Christmas last year.

"The English took inordinate pleasure to see us fooled. They serve three-year terms.

• Dr William B. Elsen has been named president of COLT IN-

Clearly M Rousseau finds it difficult not to express his thoughts bluntly, even if it involves political risks. When he realised that the three French refineries he closed were doomed, he made a point of telling the workforce, apparently long before his colleagues thought it either necessary or desirable to do so.

M Rousseau traces this passion for honesty to his time as a lieutenant in the French army during the Algerian war. Lt Rousseau told his men that France would never give up Algeria. When it was all over, he says, "I decided never to tell another lie."

1980 and was elected chairman in 1983.

1980 and was elected for chedded freedor.

1981 Algeria Mr Christian Tschudy has succeeded Mr Brunc P. Vaterians as managing director of FRIEDRICH STEIFELS, the Swiss detergents manufacturer.

1981 Algeria Mr Christian Tschudy has succeeded Mr Brunc P. Vaterians as managing director of FRIEDRICH STEIFELS, the Swiss detergents manufacturer.

1981 Algeria Mr Christian Tschudy was formerly to comp

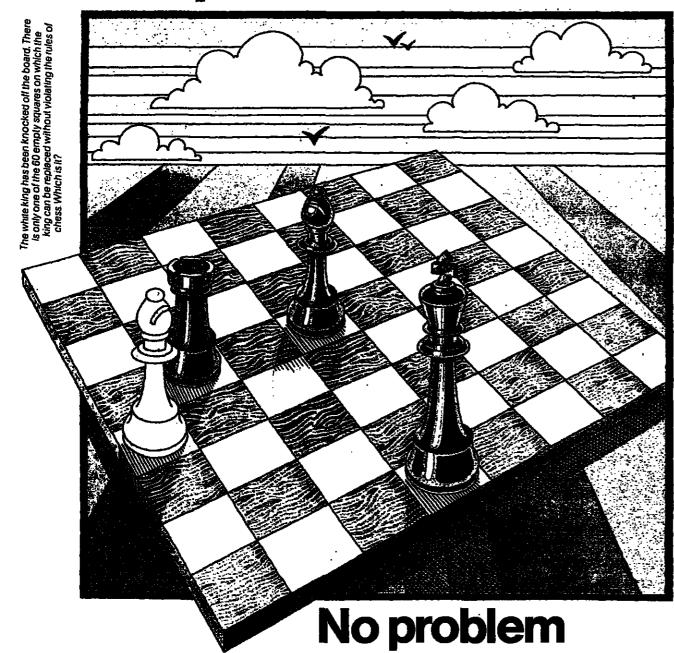
elected by syndicates and L. Tarnew, chairman, Goulds broker members of the NEW YORK INSURANCE EXCHANGE to serve on the Exchange's 12-person board of governors, Three of the four are new governors and include Mr David J. Sherwood, president of VISION CORPORATION (STC). He will be responsible for developing and implementing the installation and service net-work for STC's satellite-to-home pay-television service. Before joining STC, Mr Rubin was division vice-president, industrial electronics services at RCA Service Company, responsible for directing and supervising all field activities for the division.

Mr R. Bern Crewl, executive vice-president of REYNOLDS METALS, has been elected chief founcial officer. Mr Crowl, who has been responsible for such mance and accounting functions as treasury, tax, con-troller and risk management, succeeds Mr William S. Leonhardt.

• Mr Peter Milburn has been appointed director and general manager of RITCHIE AND BISSET PTE. Mr Milburn is resident at the Singapore office of Ritchie and Bisset, a part of Three Quays International, a wholly owned subsidiary of the P & O Group. His new responsibilities include Ritchie and Bisset Marine Services Sdn Bhd, in Malaysia, together with co-ordination of Three Quays International's marketing and development in the Far East.

• BARCLAYSAMERICAN CORPORATION has re-elected chairman Mr Bland W. Worley until August 31 when the current president and chief executive officer Bir Graeme M. Reith will become chairman in addition to his other duties. Mr Keith joined BarclaysAmerican and the part 1682 as president and addition to his other duties. Mr
Keith joined BarclaysAmerican
in August 1983 as president and
was named chief executive
officer in November 1983. The
directors also elected a 16th
member. Mr Edward F. Hill,
who was recently named chief
operating officer of parent firm
Barclays Bank International's
head office North America. head office North America, located in New York. Barclays-American Corporation is wholly owned subsidiary Barclays Bank International.

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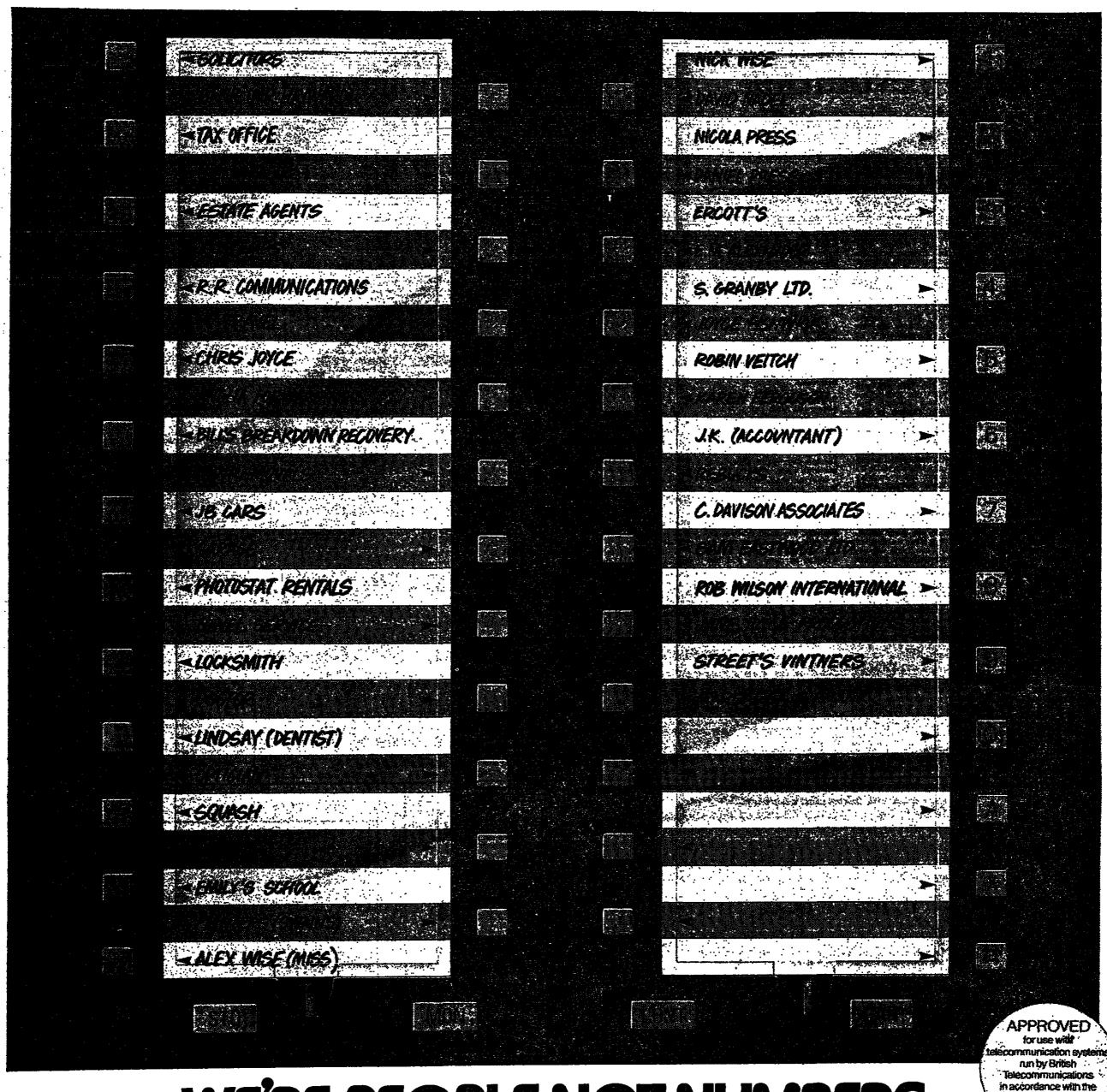
Midland Bank Interest Rates

Save and Borrow Accounts

Interest paid on credit balances increases by 1/2% to 53/4%p.a. and interest charged on overdrawn balances remains at 181/2% p.a. with effect from 13th June 1984.

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Atlas Copco

A minor revolution in stock control

BY ARNOLD KRANSDORFF

JUST OVER three years ago, the loss-making tools division of Atlas Copco, one of Sweden's largest engineering groups, looked like any other manufacturing company trying to com-bat the recession.

As part of a rationalisation plan to cut production in line with shrinking demand, it embarked on the now familiar strategy of plant closures and heavy redundancies; in fact two of the division's five factories were shut down and 460 people—a third of the workforce—laid off.

For most companies these events would be upheaval enough, but at Atlas Copco Tools another, quite separate, revolution has been taking place alongside to improve its abysmal record in the field of compu-terised stock control.

In the process many of the traditional restrictive practices on the shopfloor have been broken down and changes made to corporate policy on employee remuneration—all without chal-lenge by the trade unions.

While these changes may have been helped by the defensive position of labour in today's competitive economic climate, the fact remains that many of the company's numerous assembly processes, formerly the preserve of a string of workers, are now handled by one individual. As a result, the division's entire wage structure, based largely on a piece work system, is being

Both these important strucling the company's complicated inventory of 25,000 different components. Until 1991 the different components. Until 1991 the different components of the com components. Until 1981 the divi-sion had thought its conven- a build-up of surplus stocks. tional computerised systems, which had been in place for two recades, were the most efficient by no less than 40 per cent in way to handle material flow; in real terms at a time when sales fact it had never seriously volume has declined by around fact it had never seriously looked at its performance.

volume has declined by

15 per cent.

At the same time the division's delivery efficiency—ie the
number of orders it can fill from
1 stock immediately—has risen
1 from 70 per cent to 93 per cent.
Stock values have been cut
1 Stock values have been cut
2 than 10 percentage

than 10 percentage Until the reappraisal began stock control was based on forecast of demand three months hence which was translated with the aid of the computer into the aid of the computer into an inflextible production schedule. Reality was never so precise, however.

When demand was under-when demand was under-estimated production would be SKr 689m (£58.1m) in 1983, At Under the old system, the interval in operational for a solution to the problem. In other word the minimum tage orders acceptable to its first under 40 per cent to 95 per cent. Stock values have been cut for a solution to the problem. In other word the minimum tage orders acceptable to its first under 40 per cent to 95 per cent. Stock values have been cut for a solution to the problem. In other word the minimum tage orders.

Under the objection as did the unusually entrenched working practices.

IN THE domestic and international context Atlas Copeo Tool's stock turn is nothing to write home about. Even after the latest improvements the company lags behind the average for Sweden's manufacturing companies, them-selves at the bottom of an international league table comprising several Western

European countries, the U.S. and Japan.

According to a recent survey by Chalmers Univer-sity of Technology in Gothenburg, Sweden, Swedish manufacturing companies have an average annual stock turn of just 3.5, followed by the UK with 4.5, West Ger-many 5.8, the U.S. 7.3 and Japan, where the responsibi-lity for stock holding has usually been shifted to the

supplier, a lofty 9.0. The survey, covering 172 companies across 43 industry groups in nine countries, found that inventory turnover has remained largely static in the manufacturing industries of the main industrialised countries over the 15 years to

This is in spite of the rapid development of computer tech-nology since the early 1970s, since when a large number of companies have installed socalled Computerised Produc-

Under the new system Atlas Copco Tools has slashed stocks

tion and Inventory Control systems. Sodahl attributes the situation to industry's love affair with the computer. "The usual way a company tries to improve a traditional com-puterised system, especially in the inventory field, is for it to superimpose a supposedly more sophisticated computer system. This usually does nothing, as the survey has

Much of the problem, he believes, lies with human nature. With the exception of the managing director and the financial director, few other top managers have any incen-

The purchasing manager, The purchasing manager, for example, is usually more concerned with price, which eften means buying in large quantities. Elsewhere, the production manager's priorities revolve around cost and quality, which often means table released. stable volumes and, thus, long machine runs.

For the shop foreman, the main concern is keeping people and machines busy, so long anence ng queues and a healthy batch of production orders would not be sneezed at. Equally, the main motivation for the sales manager is eustomer service, which means keeping as much as possible

the same time, stock turn has

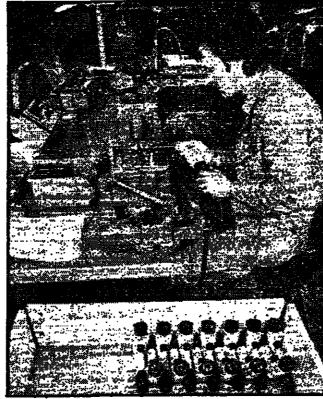
been increased from 1.96 times a year in 1981 to 2.1 in 1982 and 2.6 last year.

The division hopes to increase this still further to at least 3.1

this year and up to 4 by 1987. At this level it will be financing

only a quarter of its annual

sales at any one time—a sub-stantial saving over previous years even if interest rates fall



Moreover, companies genenorcover, companies generally have quite distinct policies that keep stock levels high, he adds. Most companies would want to hold an excess of stock to hedge against possible characters. possible shortages.

Stocks would be deliberately run up, too, to limit the frequency of ordering, spread the production load over variations in the business cycle and even to take advan-tage of large purchase dis-

Sodahl notes that all these apparently legitimate inter-

sts are in direct conflict with an intention to increase stock turn. Small wonder then, that he believes that most West European companies are overstocked to the tane of at least 30 per cent.

"Basically, reducing stocks necessarily means improving organisational efficiency rather than imposing another computer system. By doing so, a company can have the

"In our case we decided on a delivery efficiency of 93 per cent. In order to fulfil this, it is a relatively simple mathefour-times a year forecast, when translated into the production schedule, stipulated that a cer-tain number and type of product had to be manufactured—and this was rigidly adhered desired inventory level by tak-ing into account factors like to, recalls Per Wejke, president ing into account factors like of the tools division. Today, manufacturing lead times and the division works on a weekly the traditional frequency of manufacturing programme.

Wekje explains: "When considering the approach to purchasing, manufacture and final

topped up on a weekly basis to achieve actual demand. In assembly — all key constituents effect we are now manufacturof the stock cycle — we make ing according to need rather
an arbitrary policy decision on
the operational level of service. plan based on an assessment of an arbitrary policy decision on than to an inflexible production the operational level of service. In other words we decide on the minimum level of percenter in the minimum level of percenter in the finds it difficult to quantify all the benefits that have accrued since the improved tage orders that we think all acceptable to fill from stock at acceptable

FINANCIAL

TIMES

best of both worlds-reduce stocks and increase customer service, and reduce work in progress as well as increase operating efficiency."

These changes have increased

a small Scandinavian manage ment consultancy called Mysigma. Until it was bought ROWS WITH the Russians or not, one of the more welcome spin-offs of the Olympics is the out by its partners Mysigma was a joint venture between Harvard graduate Lars Sødahl and SKF, has been getting its much-awaited revamp. One of the worst routes into the U.S. for years, Los Angeles (LAX) is the Swedish bearing company. Mysigma operates from the basic philosophy that "all stock is waste" and that computerisation in itself is no answer to cutting the heavy costs of

high stock levels. Sødahl's argument is that computers merely indicate what costs are likely to be rather than pointing to ways to mini-mise them. "But a computer

mise them. "But a computer does not change the way of doing things. It merely compounds the errors faster and disguises and perpetuates fundamental problems."

Mysigma's solution to improved material flow reverts to old-fashioned brainpower to identify and cost the basic elements which make up the inventory chain. The aim is to find ways of making procedures find ways of making procedures more sensitive to customer demand rather than dependent on the production department's in-built capacities, even if it means an increase in some overheads, such as assembly

stalled but says it has been

key factor in the company's subsequent quick recovery.

From a loss of SKr 5m at

the end of 1980, the company turned in a profit of SKr 2m in 1981, SKr 11m in 1982 and

Atlas Copco's new stock con-trol system is the brainchild of

SKr 20m in 1983.

One of the more fundamental changes in working practices that Mysigma suggested concerns the formerly labour-intensive assembly process which had evolved as a result of the economies of large-scale roduction and strict demarcation policies.

According to Mysigma's pre-liminary observations, this section of manufacturing was supporting a particularly hefty volume of stock, in spite of the fact that assembly took on average no more than 30 minutes.

Previously, assembly was carried out by small teams of workers each specialising in part of the final product. Other people were responsible for providing all the components they required.
"We have dispensed with

the sub-assembly philosophy entirely," says Wekie. "Now, the products are assembled from scratch by one or only a few workers who also do the testing and packing. The assembly workers now collect their own components."

direct manufacturing costs but Wekje calculates that the overall cost is lower "because accrued since the improved much of the stock-keeping system of stock control was in- charges have been eliminated."

fact that Los Angeles Airport years, Los Angeles (LAX) 12 doubling its passenger terminal space. A new \$123m international terminal should be in operation in June. The Federal Inspection area will be the largest in the U.S. and can potentially handle visitors at twice the present rate. One can only hope that means better than a one hour wait instead of two.

ONE OF the more eye-catching aspects of National Car Parks' campaign to recruit more users of its Chequers Car Park at Heathrow is the promise of a free battery boost should you return to find a sparkless machine. The £2 a day parking lot £1.50 after seven days) also promises free coffee for users. British Airways Executive Card holders will also have heard of a discount scheme for heard of a discount scheme for Chequers for them.

ANOTHER insect repellant has been launched on the UK market, this time with an exotic name—Jungle Formula. A U.S. product claimed to have been developed for use in Vietnam, it contains the much praised DEET (Diethvi Meta Toluamide). The UK Forestry Commission has been testing it for two years and approved it for two years and approved it for its workers use. The writer is about to embark on his own test, watch this space. Meanwhile bottles can be had from

chemists or direct from Arun Valley Trading, Pulborough, Sussex, RH20 1ER (£2.50 post free for 2 ozs).

BUDGET Rent a Car is stepping BUDGET Rent a Car is stepping up its campaign to eurol more corporate rate card users. Having upset its rivals last year with an advertisement which was examined, amended and finally cleared as being within the Code of Advertising Practice, the company is out to annoy Hertz, Avis, Europear and Swan National yet again. It is claiming that the rivals would have to offer 30.44 per cent discounts to match the corporate counts to match the corporate rates offered in most of its out-

Business users of Budget services in future will pay no drop-off charges.

THE CHORE of changing or reconfirming flights in the Chinese capital of Beijing is being eased for users of that new watering hole for visiting Westerners, the Great Wall Hotel. The Great Wall is to have a CAAC (the Chinese airline) computer reservation line) computer reservation centre. It will handle not only CAAC flights but also Air France, British Airways, Japan Air Lines and Pan Am.

TEN DEATHS from Malaria in the UK last year have helped to raise the question of travel health dangers again. Apart from Malaria (there were 2,000 reported cases in the UK) a variety of virus infections, worm infestations and insections of the diseases are presenting worm infestations and insect-borne diseases are presenting themselves at local GP consult-ing rooms these days. Professor Brian Maegrith of the Liver-pool School of Tropical Medicine (threatened under present cutting policies) is urg-ing that every Briton leaving the country should get a brochure on health risks. brochure on health risks. Meanwhile, certainly as far as

Arthur Sandles

BUSINESS PROBLEMS BY OUR LEGAL STAFF **Partnership**

taxation

A single-handed practitioner takes three others into part-nership over a period of three years. The practice expands and after five years two wish to continue while the other two wish to go off on their

The Inland Revenue says that this is a cessation of the partnership and, therefore, cessation and not continuation tax should apply.

What are your views?

in the original partnership should be able to elect for continuation (if they really want it) by virtue of section 154(2) of the Income and Corporation Taxes Act 1970. The new partnership (formed by the two who have resigned from the original partnership) will, of course, be

assessed as a new business. We are a little puzzled by the form of your question—the partnership accountants are best placed to advise you, because they know the full facts and ngures. No legal responsibility con

the answers given in these columns What are your views?

All inquiries will be enswered by post as soon as possible.

This announcement appears as a matter of record only

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CONFERENCES The following are among the major events to be

organised by the Financial Times in its summer programme:

THE ELECTRONIC OFFICE Threshold of a New Era

London, June 5 & 6

THE EUROPEAN OFFSHORE IN 1984 Oslo, June 18 & 19

Future Strategies for London, June 20 & 21

WORLD ELECTRONICS

FOREIGN EXCHANGE

London, June 25 & 26 WORLD AEROSPACE

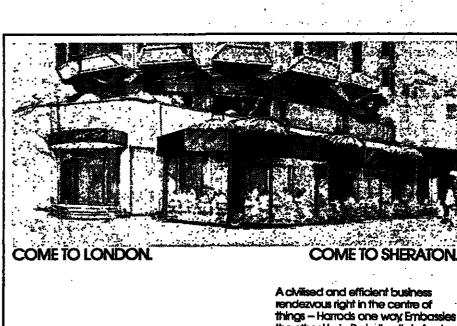
Aerospace after the London, Aug. 28/29/30

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THE ARTS

Television/Christopher Dunkley

Pushing fun through the Watford Gap

How much longer are London Weekend Television going to go on restricting their series South Of Watford to the London region, and how much longer is ITV going to go on keeping it off the network? Here at last is a programme which deals with style-life-style, trends in the pop world, fashlons in art—not as a subject restricted to multisyllabic disrestricted to multisyllabic discourse among middle aged dons but for what it really is: a nonstop revolution occurring in the streets and the discos and, for that matter, in those suburban houses described by Osbert Lancaster as "Bypass Varie-gated." These were the subject of passionate enthusiasms in a recent edition which investi-gated their wood panelling and their tiled bathrooms in cream and moss green and told us that Islington gentrification is now finished: the middle managers in publishing have discovered Metroland.

Section 1

In Ben Elton the series has a marvellously suitable pre-senter: a young man who, be-hind the manners of the London streets ("Blimey! Wotchoo done in 'ere!" he asked the owner of one astonishing bathowner or one astornaning path-room) harbours a shrewd intelligence. His investigation of the "gender benders" on Friday with producer/director Nigel Miller was very far from being a piece of "Cor look at this" sensationalism.

Having traced the current trend from David Bowie's "Ziggy Stardust" via Glam Rock and Boy George to the most outrageous of the lot—the patrons of The Battave, heterograph chapt in heavy makenn parrons of the Battave, netero-sexual chaps in heavy makeup, fishnet stockings, and black circ—he extracted some very sane reasoning for the fashion from a number of commentators from a number of commentators and topped it with his own attractively mock-shamefaced liberal gloss. The programmes on carp fishing fanatics, Gilbert and George, and the King's Road were simpler but equally engrossing and—best of allfull of joie de vivre in contrast to so many of today's suicidally dismal current affairs pro-

It is a little late to be saying it, but another series which provided both an extraordinary quantity and quality of pleasure was the BBC's Young Musician Of The Year. I shall not quickly forget the grin of sheer delight which the worthy winner, 17-year-old Emma Johnson, flashed at conductor Bryden Thomson is: old fashioned and juvenile, after she had stormed through Let's hope for more like the a performance of a Clarinet first episode and an end to the Concerto by Crusell (whom I had never even heard of) with a joyfulness which was irresistibly infectious.

being scattered around late at grocer's harrow ("Tomatoe's night on Channel 4, seemed 50p") in the shoe shop (100's most promising: here was a of Pair's At Half Price!") and of television biography. As the pawnbroker ("All Good's In people enjoying legal sex has more.



The gender-benders and friends in "South of Watford"

writer's voice told of events Side Window Second Hand"). from his childhood the pictures Now the Nine O'Clock News is from his childhood the pictures provided suitable illustration. Thus subjective camera (show ing the viewpoint of the subject rather than the subject himself) accompanied his account of taking lunch to his father at a cotton mill, and as the words told of the small boy mounting the winding staircase so we tolled up a similar staircase perhaps the very one—with the camera. Still photographs were also used, presumably genuine family snaps from Breakwell's boyhood, and footage of a bizarre collection of objects calcified under dripping lime water. Packed with evocative detail, it was a brief but powerful little programme. How disappointing, then, to

find that subsequent pro-grammes have consisted almost entirely of pictures of the man himself standing on London's South Bank reading out tediously insignificant and jumbled diary entries. The banality of one's own crossed lines dismal current affairs pro-grammes. irritating enough; none of us needs to know that Breakwell suffered one on May 21 1971. The notion that everything has equal significance, however random the selection (an idea embraced by Marcel Duchamp in art, William Burroughs in poetry and John Cage in "music") should by now be clearly identified for what it

The BBC Nine O'Clock News has adopted the wandering apostrophe. We have come to The first episode I managed know this little fellow well in to catch of Ian Breakwell's Kentish Town High Street Continuous Diary, which is where he appears on the green-

popping him into those wholly unnecessary captions. Incidentally, how long will it be before these are introduced to drama? If the BBC seriously believes we need the words "Embassy Siege" sticking out of John Humphrys left ear to tell us that he has stopped talking about North Sea oil revenues and turned to a different suband turned to a different sub-ject, how much more necessary they must feel them to be in the single play: "Sad Bit" could warn us when the mood had changed, and "Mother Returns Unexpectedly" would help us keep the plot straight. It is difficult to understand why they ever gave up the habit in

they ever gave up the habit in the cinema. The caption projecting from Sue Lawley's
hairdo the other night read
"Teacher's Strike," and some
of us spent the entire item
wondering which lonely teacher she was going to tell us Television programmes about sex always seem to attract the

same sequence of responses: first the Piano Leg Drapers Brigade create an outery before Episode 1 even gets on the air. This attracts an out-size audience for the first programme and disproportionate attention from the critics. Expectations are then frustrated all round when the programme turns out to be earnest and verbose rather than shocking or titillating, and in a rapidly diminishing chorus of scorn and disappointment the whole

thing is forgotten.

Channel 4's Sex Matters
shows every indication of maintaining the pattern. As soon as they heard the first murmur about sex the PLDB raised their usual clamour (they remain silent throughout the daily depiction of the foulest murders which in real life are

them in hysterics; the Judaeo Christian ethic has much to answer for) and sure enough the opening programme turned out to be boring, humourless and mostly timid.

Compared to what can be learned nowadays from readily available sex manuals this sort of programme is hopelessly inadequate, relying as it does upon conversation in front of the camera between "ordinary" couples (actually anything but ordinary given that they are appearing on tele-vision to talk about sex). This seems a pity since anxious couples who are too shy to buy books or visit marriage guid-ance counsellors might well learn a lot from programmes in the privacy of their own homes.

The newly imported American situation comedy Empire on BBC2 prompted two reactions. First it seemed extraordinary old fashioned: the American cinema produced innumerable films set in New York office blocks in the 20 years after World War II, from "Take A Letter Darling" to "The Apart-ment" and "Executive Suite." Most of them seemed to start with the lift on the ground floor and some incident as people arrived for work. It was arrived for work. ominous to see Empire revert-ing to that ancient ploy and dreadful to hear the manipulation of the laughter track.

However once up at vice president level things rapidly improved: as with Soap the atmosphere of hysterical neurosis was conveyed quite deliberately as being way over the top and yet (again as with Soap) the subjects for anxiety were all wickedly realistic: the fear of appearing too old for the job, of being found out in fiddling the budget, simply of being too ignorant, and so on. Having started with reservasimple but highly effective form even in the window of the illegal, but the merest hint of tions I finished by wanting

Celebrations at the Met

The culmination of the Metro- Fokine choreography. politan Opera House's centen-nial year was last Sunday's given as a companion-piece to the opera-fest which opened the celebrations. The evening was devoted to those traditions and attractions other than operatic which have been part of the Met's history during the past hundred years. It was, of course, an evening for backward glances, and the longer one's memory the more entrancing must have seemed the four and a half hour programme. There were surprises—the roars from the audience must have been audible from one end of Manhattan to the other—and a range of items both wild and wonderful. If I say that the gala comprehended Kabuki and Yves Montand. Lilian Gish and Alvin Ailey, Danilova, Alonso, Fonteyn, Sibley, Seymour, Makarova and Fracci, then mere listing tells something of the stellar tale.

The Martha Graham company opened the proceedings with Dirersion of Angels done in a manner too slick and glossy for this lyric piece, but two roseate items followed to start the flood of nostalgia which was to wash over the auditorium. Lynn Seymour returned to the stage, Seymour returned to the stage, trailing rose petals, still effulgently Isadora Duncan in Ashton's homage of Brahms waltzes, and seemingly more than ever like the mature genius whom Ashton saw in the early 1920s. Then Lilian Gish's voice recalled seeing Nijinsky as the Spectre of the Rose, and curtain rise found her reclining in an arm-chair in the Girl's pose as Patrick Dupond soared in from the night in abbreviated version of an the

Equally rosy the Acte de Présance which Ashton staged to a moment from the Vision music from Sleeping Beauty, to remind us of the Royal Ballet's 1949 triumph at the Met. Margot Fonteyn, en beauté in a red dress, was there on a chaise longue; to her came the choreographer with four roses, to awaken her with a kiss, and give her the roses which she Aurora fashion. cheers! No less thunderous those that greeted Alexandra Danilova and

Jorge Esquivel in the second act duet from Giselle. Alonso, as London has lately seen, is indomitably and uniquely a bal-lerina whose career already spans more than 40 years. Sheer longevity on point would be nothing were there not still the rewards of her artistry, fully revealed in this duet, where her stillness, the feathery soft and tiny beaten steps, and the unique concentration of her stage presence, are hypnotic. We believe, and Jorge Esquive! Alexandra Danilova and (in lamentable lilac tights but Frederic Franklin, caught in a magnificent form) believes, and

Alicia Alonso's appearance with Marcia Haydee and Richard

Clement Crisp reports on a New York gala sparkling with the great names of the dance world

sustains the potent illusion of this wily Giselle. Equally potent as an essence of the dance was the performfrom Gaieté Parisienne, with Jerome Robbins bringing on yet more roses to the ever-beautiful Danilova.

Erik Bruhn also returned briefly to one of his greatest roles, partnering Carla Fracci, all Romantic charm, in the closing scene from La Sylphide, his ardour and remorse as James vivid still, while another great partnership lived again as Ivan Nagy donned Stegfried's nobility to partner Makarova in a wonderfully intense account of the second act duet from Swan Lake, with Itzakh Perlman and Lynn Harrell on stage a wonderfully intense account of the second act duet from artist. Of more usual gala fare Swan Lake, with Itzakh Perlman and Lynn Harrell on stage to play the obbligato solos, musical lustre matching the lustrous dance.

this was great art from a great artist. Of more usual gala fare artist. Of more usual gala fare there was plenty, with a passionate account from Antoinette Sibley and David Wall of the bed-room duet from Manon; with Jean Charles Gil

reveal red, then further layers of red, then white again; bound hair falling loose; snow drifting down; the heron-maid expiring in imagery as telling and refined as Pavlova's swan dying; this was great art from a great dance. with Jean Charles Gil staged it. It has Nothing, though, so caught impeccable in Hoffman's solo report, been re the audience's imagination as from Petit's Nutcracker; with vision showing.

ance by Bando Tamasaburo V, celebrated Kabuki exponent of

onnagata roles, in The Heron Maiden. White robes shed to

Petruchio (Haydee still the best fly-weight on the dance circuit; Cragun always the most charming and unscrupulous in-fighter); with Fernando Bujones' Corsaire deploying technical prodigies as he yearned after Yoko Morishita; and with Karen Kain and Rudolf Nureyev reminding the public of the Canadian ballet's visits to the Met with Nureyev as star and producer of The as star and producer of The Sleeping Beauty, whose third act duet they danced, Lis Jeppeson and Arne Villumsen were gently touching in a choreographic rarity, the balcony scene from Ashton's Romeo and Juliet which were Romeo and Juliet which was made for the Royal Danish Ballet in 1955; and rare, too, the teaming of Placido Domingo (who had earlier sung Ch'ella mi creda from Fanciulla) with the pop singer John Denver in a mawkish ballad.

Yves Montand also provided two ballads, and the closing All Night Long from Lionel Richie (which had a certain aptness as the programme had already run for over four hours) brought some electric gyrations from the dancers of the Alvin Ailey troupe.

And then the final line-upa brave chorus of "Happy Birthday to You" from the stageand the end of an evening in the star-spangled manner which seemed to have nary a hiccup (visible or audible), a tribute to Jane Hermann who produced it, and Donald Sadler who staged it. It has, I am happy to

Sunday in the Park with George/New York

Frank Lipsius

Not your typical musical, sunny and leisurely Sunday tephen Sondheim's Sunday in might have been. Only George to Park with George (at the himself, who is as fictional as Stephen Sondheim's Sunday in the Park with George (at the Booth Theatre) makes an inspired effort to bring to life Georges Seurat's major canvas, A Sunday Afternoon on the Island of La Grande Jette. Like the painting, the musical is filled with 19th century Parisians, and, translating the painter's style to its new medium, Sondheim composes not the coherent songs one

expects but rather dots and dashes of words, rhyme and The result is less biography than social history with personal snatches of those whom Seurat chose to populate his world. In shaking off the confin

the other characters, is taken out of the picture's context. He is shown as a tireless sketcher who annoys some people for drawing them without per-mission and whom others find curious for his anti-social devotion to work. His work naturally leads to

scenes in his studio where he concentrates on the colours of the woman's hat, while his lover, the subject with the hat, lover, the subject with the hat, urges him to take her to the Folies Bergères. Though he gets her pregnant and resists blandishments to marry her, the focus remains on the canvas and the painter's concentration on mixing colours.

lucent canvas on which the painter works facing makes a complex and pre-occupied George, able to retain the audience's sympathy despite his concentration on the sketchbook and painting. His girl-friend, called "Dot" after the painter's work style, is portrayed by Bernadette Peters as a common girl who wants understand and become part of George's life as much as his canvases. Her failure leads to her marrying a baker who "kneads" her and is willing to adopt the little girl George

fathered poses in the picture, the second act makes no effort to carry

showing off and explaining to an audience his latest work, Chromolume \$7, a robot-looking creature that inspires a stun-ning laser beam performance with dazzling video composites

of the Seurat painting.

More might have been made of the parallels in daring artistry between that age and this, but instead, the new George (whose grandmother is the baby contemporary concern at having to concentrate on looking for sponsors of his art. Lapine's skill at portraying modern problems is evident in this second act, which make a jarring With the first act climax of contrast to the period piece the characters taking their in the first act. Still, they fit together enough to provide an a stationary canvas, Sondheim centration on mixing colours. act makes no effort to carry impressionistic picture of and his collaborator—as author of the book and director, James ning recreation of the convas, the musical jumps to the an inside track for walking Lapine—wisely limit their which turns up again in the present, where a young man, away with a Tony for best intentions to showing what one studio as a stage-filling transport of the season.

Black Ball Game/Lyric, Hammersmith

commercial world were conducted by urbane smoothies with the right ties and impeccable backgrounds. The only Oxbridge man to surface in the too true.

Oxbridge man to surface in the too true.

Young John Peter, conference suits of the two-star hotel of Don Webb's business anecdote of the grubby Eighties is a coldly correct African, Carr run training courses for revealed as the product of sales managers. The former, Pembroke College. As he fails only marginally less spiv-like, to specify Oxford or Cambridge is meant to be sympathetic the may mean both. Or just though Lee Walker looks and

positive thinking little formulas (by Business School out of Dale Carnegie) against a plastic background are probably all

unimaginatively clean-limbed name that immediately sounds false, and middle-aged Desmond The play runs the risk of bores in Black Country casinos his phrasing, sound uncomfort- uneasy as to how much of this being tainted with the chirpy dowdiness of the characterless smile. He gets the girl, anyway: saloon-bar squirespeak of the whether she has knickers on is sounds like too many sports-car

Time was when the interHyde Whites and Wymarks of indicative of the sleaze that creed of bigotry. But, as with
necine machinations of the
pesteryear. But Mr Webb's doubtless explains Britain's a Dickensian type, his larger
colourless characters living by
success in the sophisticated than life idiosyncrasy presents trade rivalries of Europe.

Since the most brilliant candithe Tricycle, to a perfunctory date for a plum vacancy is happy ending with a breath-black, an impasse is reached, takingly arbitrary stroke, as if What could with less simplistic inspiration deserted the saloon-

us with a symbol rather than a

Michael Medwin's Desmond is human being.

hampered by being given one glaring characteristic and little else: he is racially prejudiced.

a symbol father than a human being.

More seriously, Mr Webb brings his unusually short play, already seen at Sheffield and writing be termed complications bar raconteur at the sound of ensue when a vital client also time being called. Despite a turns out to be the pukka representative of a black African mined performance from high tate. Quarshie as the black inter-Desmond's sentiments, and viewee, the play leaves me

Gillian Darley

Six Young Architects/Heinz Gallery

manship takes off into the byways of fine art, it is satis-Gallery, until June 9) which makes sense as architecture as well as sustaining the interest within an art gallery setting. In fact, of the six exhibitors chosen by Colin Amery, only a couple suggest more concern tion and the medium of the drawing than about the architectural thinking. There is
also, mercifully, not too much
of the "precious school," the
self-conscious colour and tremulous line of the Michael Graves disciples.

Strongest of the exhibitors is Coda, an architectural practice headed by Peter Salter, whose entry for the competition is the key in this case. Weight of actuality.

Oriental Studies shows a clarity of expression and a comthat outshines the majority of their neighbours in the show. Competition entries are in fact the strongest work here; Ralph Lerner and Richard Reid's New Orleans Museum of Art sub-missions are also powerful drawings which equally serve to suggest the strength of the architectural scheme, while Reid's own sketches show him to be a wizard with the pen. Bob Allies and Graham Mor-

As architectural draughts- for the Durham Museum of Amarjit Kalsi, a regular in young architect shows, it seems, is an architect in Richard fying to find an exhibition of bination of technical informa- Rogers' office and his mechanis-drawings (at the RIBA Heinz tion and architectural bravura tic, muscular drawings hark

These architects, together with a Glasgow practice, Elder and Cannon, veering to the decorative in the work presented here, and Eric Parry's Gandyesque projects for an and £25,000 for Saint Mark by asylum, a necropolis and a poli- Guido Reni, A still life of litical building (safely chosen as unlikely candidates for construction or even comparison. except historically) give a wide view of what is happening in those architectural offices where the thinking is vital and yet for the state of the s rison's entry for the Mound, except historically) give a wide Edinburgh (here, a winning entry) is a less substantial those architectural offices where

Saleroom

A watercolour by Myles Birket Foster, "The country inn," sold for £22,686 at Christie's yesterday in an auction of English watercolours. There were problems among the sculpture, with some important lots not selling, but Humphries, the London dealer. tic, muscular drawings bark back to Leger in their transformation of the linear to the Hercules and a Venetian bronze oil lamp realised £16,200. At Phillip's sale of Old

flowers by Abraham Mignon sold for £26,000 in an auction which totalled £283,059. buyer. Finer, the London dealer, bought a late 18th century style, went for £6,050.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

May 11-17

Theatre

LONDON

The Aspera Papers (Haymarket): Va-nessa Redgrave and Wendy Hiller give superb performances in Mi-chael Redgrave's 1959 version of Henry James's story. The inquisi-tive scholar who descends on their Venetian palatzo is played, ponder-ously, by Christopher Reeve.

A Streetcar Named Desire (Mermaid): Sheila Gish gives the performance of her life as Blanche Dubois in Alan Strachan's excellent revival, first seen last year at Greenwich. Tennessee Williams's emotional roller conster of a play amounts to one of the best evenings in town. (9306123).

Little Shop of Herrors (Camedy): Campy off-Broadway import which is less good than The Rocky Horror Picture Show but which has a curious charm, a full-blown performance from Ellen Greene and an ing man-eating prickly plant. (8302578).

Pack of Lies (Lyric): A decent, enthralling play about the breaking of a spy ring in the suburban Ruislip of 1959-60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Chifford

The Real Thing (Strand): Susan Penhahgon and Paul Shelley now take the leads in Tom Stoppard's fasci-

nating complex, slightly flawed new play. Peter Wood's production strikes a happy note of serious levity. (6362660/4143).

Daisy Pulls It Off (Globe): Enjoys romp derived from the world of Angela Brazil novels: gym slips, hockey sticks, a cliff-top rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592).

Noises Off (Sayoy): The funniest play for years in London, now with an improved third act. Michael Blakee's brilliant direction of backstoge shenanigans on tour with a

Saint Joan (Olivier): Staid and stolid National Theatre revival of a play that is finding it increasingly hard to live up to the tag of Shaw's mas-terpiece. Frances de la Tour is sincere and unrhetorical to a fault as the maid, and Ronald Eyre's direc-tion includes medieval pageant, some striking music by flora Sekncz and alas, a disastrous deputy inquisitor from Cyril Cusack.

See How They Run (Shaftesbury): The line is not, after all, "Arrest same of these vicars" (as: Tom Stoppard thought) but "Arrest most of these the Philip Vinds 1045 favor is thought) but "Arrest most of these people." Philip King's 1945 farce is one of the funniest plays in English, a veritable period classic, and Ray Cooney's revival is, on the whole, splendid, A village prude sips too much charge and finds the charge much sherry and finds the stage awash with clergymen, some of them genuine. The forceurs include

Maureen Lipman, Derek Nimmo, Michael Denison, Christopher Timo-

WASHINGTON

Henry V (Folger): Philip Kerr directs the resident acting company led by Edward Gero as the charismatic Henry to the field of Agincourt, fac-ing John Wylie as King Charles. Marjory Wright, the wife of the Brit-ich Ambassador, plays Mistress ish Ambassador, plays Mistress Quickly. Ends July 1. (5464000)

NEW YORK

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality.

42nd Street (Majestic): An immodest celebration of the heyday of Broad-way in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the apropriately brash and leggy hooling by a large chorus line. (977 9020).

Torch Song Trilogy (Helen Hayes): Harvey Fierstein's ebullient and touching story of a drag queen from backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (9419450).

Dreamgirls (Imperial): Michael Bennett's latest musical has now be-

come a stalwart Broadway presence despite the forced effort to recreate the career of a 1960s female pop group, a la Supremes, without i quality of their music. (239 6200).

round Sergio Franchi in this Tony-award winning musical version of the Fellini film 8th, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (2460246).

On Your Toes (Virginia): Galina Panova with presumably a genuine Rus-sian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott.

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childhood reminiscences now that the Nederlander organization has generously decided to name the theatre after the generation's outstanding box office draw.

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as audirather than emotions.

Carmen (Vivian Beaumont): Peter Brook has done an excellent job in transforming this Lincoln Center landmark into a spruced-up version iandmark into a spruced-up version of his grubbler Paris Bouffe du Nord home for a fast-paced, stripped-down seven-performer, but wholly engrossing version of Bizet.

Noises Off (Brooks Atkinson): Dorothy Loudon brings Michael Frayn's backstage slapstick farce to Broad-way in Michael Blakemore's production that includes Brian Murray. Paxton Whitehead and Victor Gar ber as her backstage conspirators.

The Real Thing (Plymouth): After 14 months in London, Tom Stoppard's latest giggle at the English intelli-gentsia, with a new-found attention to the heart that beats beneath the veneer, arrived on Broadway in a cast headed by Jeremy Irons and Glenn Close, directed at a fast clip by Mike Nichols. (2396200).

Glengarry Gien Ross (Golden): The Chicago cast from the Goodman Theatre provided David Mamet with er Prize for his latest work that pits fast-talking real estate salesmen against the world and each other. (2396200).

E. R. (Forum): Moving into its second year parodying melodrama in a hos-pital setting, this emergency room authoritarian nurse. (496 3000).

The Tyrant/Upstream

Martin Hoyle

ment on Thomas Middleton. "Congratulations, When are you going to get a point of view?" actors change costume on stage cabled Kenneth Tynan to cele- when moving between main and

tenness. But righteous anger wooden platform at the top of became all-purpose baleful mis-anthropy; and Anglo-Saxon the surviving dramatis personae prurience emerges from the applauding their supposedly degloating relish with which they depict the corruption they con-take a bow, and eventually drift demn. Even the equivalent of back in their everyday clothes. the Romeo balcony scene in Middleton's Family of Love is witnessed by leering voyeurs; and the couplet which ends The Tyrant contains a moralising jibe at women that counterbalances the fatally virtuous heroine. Middleton's morality boils down to chronicling the biter bit, a glorification of tit for tat.

the original Usurping Tyrant, the play was subject to cuts re-garding references to royal depital setting, this emergency room continues its adventures among a young doctor, a receptionist and an monarchs. "Explicit necrointo the vault; and a grotesque philiae elements," the pro- echo of the balcony scene as enterprising new company.

stage. Quite.

In a Brechtian approach, the brate a Private Eye anniver-parallel, though tenuously sary.

linked, sub-plot. I'm not sure that the unabashed flamboy-The Jacobean satirists, like ance of Jacobean tragedy can ours, saw a world illuminated by take the ghost of the self-the phosphorescent glow of rot-martyred heroine perched on a funct colleagues who get up. take a bow, and eventually drift Andrew Wickes's production

theatrical impact of a rehearsed reading. The verse is consis-tently well spoken, though at vated enmity towards the least two actors appear to friend, and you end up with a equate virtue with plodding stage littered with the cadavers lugubriousness; and the Lady we have come to love in pursued to the grave and beyond Second Maid's Tragedy, the censor's provisional title replacing the original Usuraira Tragedy. Resemblances to Romeo are interestingly brought out: the tragic cross-purposes sparked off

"He has no point of view," gramme notes, worked against the Lady's corpse is heaved out was T. S. Eliot's sniffy judg- performance on the Victorian of the tomb ("O the moon

> Clive Simpson's Tyrant plays on a note of anguish that explains the German Romantics' fondness for the play. Almost too sympathetic, he efficiently combats having to spew up what looks like vegetable soup when

poisoned, and embracing the disinterred beloved who unfortunately by now resembles Nor-man Bates's Mom in Psycho. The sub-plot concerns that old chestnut, the husband who suspects his so far virtuous wife and puts his friend up to trying to seduce her. This being a play by Middleton, the wife, no for The Troop attains a decent Patient Grizel, is all too willing, student level, but has the friend all too weak. Add a scheming maid and her para-Jacobean drama.

As the friend Bill French gives an accomplished performance that would grace the subsidised stages a few hundred yards away on the South Bank. Vigorous, relaxed and dominating his every scene, he makes one eager to see him in other possibly more compelling dramatic rarities with this

FINANCIAL TIMES

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Wednesday May 16 1984

Lessons of a bank rescue

AN IMAGE of liquidity is vital developed by banks in the last for any bank, of greater im 15 years has been the technique of floating rate lending in

metricles, on bonds, on property the time treatment of the creation of the loans many banks have extended to the Third World.

The timeless message behind the Continental Illinois story is exposed, but out of the blue rumours seemed to feed upon underlying nervousness in the resisting the fads of the banking market and market an money market and drastically affected the bank's access to

Financial splits

The bank's plight was a reminder of the financial splits which large international banks have been driven by competi-tion to perform in recent years. On the liability side of their balance sheets, the rise of the computer and of rapid com-munications has made their sources of funds ever more fickle and demanding. Where once there was a comfortable once there was a commutatic cushion of cheap sight deposits provided by loyal corporate and retail customers, there are to-day money market funds, interest - conscious company treasurers and other banks. They are all linked by a money market through which news and rumour travels almost instantaneously.

On the asset side banks have been induced to commit themselves for lengthening periods, lending on a "going concern basis" which implies an almost equity-like involvement in the borrowers' prosperity. The cul-mination of this trend has been lending to sovereign states in whose affairs the bankers have had little say and to whose assets they have had no re-

adequacy of its capital and which they pass the interest rate reserves or the flow of its earn-risk through to the borrower. ings. It was this image that Recent fashions of monetary cracked at Continental Illinois control have made this ploy last week and which 16 fellow important because they have led last week and which 16 fellow important because they have led banks rushed in to restore with a promise to provide \$4.5bn of higher, on average, and more funds should the Chicago bank need them.

The unsettling thing about this development was its ability to repay. The recent apparent arbitrariness. Since resurgence of U.S. interest cates 1970 the major bank crises have generally involved the revelation of had mistakes—on cur-

tion of bad mistakes—on curis, more generally, posing a new
rencies, on bonds, on property threat to the credibility of the

market and maintaining, above all, a healthily sceptical view of apparent liquidity ratios.

The more topical message concerns the new wave of interest in finding a longer-term solution to the problem of developing country debt. After 18 months in which the onus of painful adjustment fell mainly on the borrowing countries, the spotlight has swung recently on to the banks. Couldn't they by "capitalising" or "capping" in-terest rates shield heavily indebted countries from the rise in U.S. rates, even if this meant absorbing losses themselves? Couldn't they get Washington's economic policy-makers off the

Capitalisation of interest buys a borrower time and thus makes some short-term sense, even though it is little more than a formalisation of the fresh-loansto-nay-interest that has gone before. But the mood in the U.S. money market last week was a reminder that the banking system remains a tender plant from which to bluck a long-term solution to the deb crisis. If, a fortnight ago, the U.S. Federal Reserve began to feel its freedom to make mon tary policy was constrained by the debt problem, it must feel defence mechanism doubly constrained today.

Dissent in the stock market

THE 50 or so member share-holders in Laing and Cruick-shank will be paid another £17.5m by Mercantile House as leading firms of brokers are exsoon as the Stock Exchange pected to be announced very relaxes its prohibition on holdings of more than 29.9 per cent by outsiders in Stock Exchange member firms. Already they are to be paid some £7.5m for a stake of this size.

In contrast, members in dozens of small and mediumsized stock market firms up and down the country face a worrying time. Not only are they aware that their stakes in their own firms are worth little or nothing, but there is a real danger that they will face a serious drop in their profitability over the next few years.

Most of the big broking firms, and all the big jobbers, are pairing up with wealthy outside partners and are preparing to join in with the revolution in the securities market. Banks like Barclays and Citicorp, merchant banks such as Morgan Grenfell and Samuel Montagu, and securities groups including house J. Rothschild are among the outsiders who have decided to join the game.

Backlash

Capital on the scale of hundreds of millions of pounds is now being committed to the London Stock Exchange, a development which ensures a radi-cal transformation in the way it operates. In particular, brokers will cease to act just as agents, but will take on market making functions, and will expand in other directions as well. Nearly all of this has happened within the space of six months. Not surprisingly, the smaller broking firms within the Stock Exchange—broadly those outside the top 20—have become very concerned at the speed at which the changes are taking place. An organised backlash is now becoming evi-dent, and more than 70 firms are expected to be represented at a meeting organised by brokers Seymour Pierce and scheduled to take place in the

City this evening. There is a concern that financial pressures are tearing the market apart. The major firms wish to change the system as soon as possible so that they can complete their capital restructuring and offer dual capacity services—acting both as agent and market-maker—to their big financial minstitutional clients, both domestic and foreign. As the Laing and Cruickshank case has

But partners in small firms have been expressing their very serious worries to Stock Ex-change officials. They fear that they will be denied access to the central market place on the same terms as the big firms and moreover that the market will dry up in a large proportion of the 2,400 equities listed in London because not enough voluntary market-makers put themselves forward.

Many smaller firms rely for a large part of their business on dealing on behalf of private clients in second-line stocks Such brokers are concerned that the future of this kind of business has been placed in considerable doubt.

Challenge

Leading Stock Exchange officials are acutely aware of the dangers, and are now formulating plans to soothe the fears of members. There are no concessions on the basic timetable for the introduction of dual capacity in leading stocks by the end of 1985, but it is possible that the new dealing methods might only be extended graduy to cover the entire range listed shares. The Stock Exchange will also seek to reassure member firms that they will still be able to earn a living if they continue to act in single capacity—as agents only—with-out taking on the risks and responsibilities of market-mak

The Stock Exchange faces a difficult summer. Not only does it need to grapple with acute technical problems in selecting new dealing systems, but it faces the political challenge of carryits disparate membership with it. There is likely to be an extraordinary general meeting in the early autumn, culminating in what could well amount to a vote of confidence in the

The important points are first, that the Stock Exchange has a franchise and an international reputation which are well worth preserving, and second, that it is not within the exchange's power to roll back the tide of competition which is sweeping through the world's financial markets. Unless the London market adapts to these new conditions, it will become

BRITISH AEROSPACE APPROACH

Thorn makes the markets gasp

By Richard Lambert

TURNOVER

1979 '80 '81 '82 '83

CHAIRMAN: Mr Peter Lais-

ter (above), Thorn was

founded in 1936 by Sir Jules

THORN EMI

THINK they are trying to shock us," commented one leading City analyst.

The news that Thorn EMI has made a takeover approach to British Aerospace left the financial markets gasping for breath yesterday. Thorn's shares fell 32p to 583p—down from a year's high of nearly

explanation for this reaction is obvious: a company which makes most of its money out of consumer spending has, no business to be making a major bid for a capital-intensive company which operates in a quite different market place, and which is approaching a cash hungry/high risk phase of hungry development. business development
Yet according to Mr Peter

Laister, chairman of Thorn EMI, this initial response will soon be seen to be quite out of place. He said yesterday that the approach to British Aerospace was completely con-sistent with Thorn's develop-"When people have time to sit and reflect, they will appre-ciate the enormous compatible

lity of interests between the two companies," he added.

Thorn is certainly no stranger to controversial takeover bids. The founding entrepreneur, Sir Jules Thorn, built the business up in large measure through the acquisition of troubled competitors. As he approached retirement in the mid-1970s, he

flirted with a number of mar-riage partners, including Grun-dig of West Germany and Hawker Siddeley—a company which then included a large chunk of the aviation interests which are now a part of British erospace. Under the leadership of the recently retired chairman, Sir Richard Cave, the company made another major takeover which has a number of features

It offered around £170m for EMI a company then in serious financial difficulties, and one of its main motives was its wish to grab the high technology skills embodied in EMFs defence and non-medical electronics divisions, and in its research centre. point out yesterday, the City of it is heavily consumer oriented, London gave an immediate and the second is that a large

in common with the latest move.



BRITISH AEROSPACE

the UK."

CHAIRMAN: Sir Austin Pearce (above), Group formed 1977 by nationalisa-tion and merger of British Aircraft Corporation, Hawker Siddeley Aviation, Hawker Siddeley Dynamics and Scottish Aviation. Tories pri-vatised group in 1981, with Government retaining 48.43 per cent of the equity, 1983 turnover £2.3bn - including

thumbs down to this diversifica-

tion. "But the purchase of EMI has turned out to be an

enormous success from every point of view," he claimed. "It's

given us a balanced position in

hardware and software, and as a

result we are far stronger than we would have been if we'd been

isolated in either area."
"Balance" is a word that is

likely to be repeated with some frequency by Thorn spokesmen in the coming weeks. Although

the detailed strategy behind the bid will remain under wraps

pending negotiations with British Aerospace, Mr Laister

made it clear that Thorn's goal was to shift the current weight-

ing of its activities in two

company has two characteris-tics," he said, "The first is that

important respects.

£883m in home sales-with just over £1.4hn of exports. Products include: military aircraft — Tornado, Harrier, Nimrod reconnaissance; civilian aircraft: wings for Airbus series; and also builds Type 125 twin-engine executive jets, type 748 turbo-props and twin turbo-prop Jetstreams. Also manufactures guided weapons and satellites

would change that profile by bringing in a major business in

over £100m. The two companies

Mr Laister believes.

AEROSPACE

TURNOVER

Thorn, who had come to Britain from Austria and

built the company into a dominating force in the lighting industry, spreading later into radio, television and other domestic appliances. He retired in 1976. Thern took But this was not the catalyst Adding in British Aerospace for yesterday's announcement. Rather, Mr Laister said, the

capital goods which has a high proportion of overseas customers. The fact that the manufacturing base of the proposed partner is largely in the UK is neither here nor there, Thorn has an interest in place. defence electronics, but it is not in the big league: Mr Laister estimated annual sales of just

group's technology and research base. Until the EMI bid, have also touched hands in another high technology venture—the proposed British direct broadcasting satellite which is being manufactured by British inspire you." Sir Jules used to Thorn's strength was regarded Aerospace: Thorn is believed to tell his visitors. But as the be seriously interested in participating in the joint venture involving the BBC and ITV combecame more mature and sub-

nology enterprise.

gains in terms of their position in the international market-• Substantial additions to the

company had made a strategic analysis which had concluded

national competition. Thorn's position began to be regarded in a different tight. The bid for EMI was the first major change of direction and—the company claims—yesterday's announcement is a further step along the route to a high tech-

ever EMI, with its defence,

electronics and music indus-try interests in 1979. Thorn EMI's 1983 turnover of

22.89bn comprised: engineer-ing (including defence elec-tronics) £662m; music £500m; consumer electronics £787m;

• By broadening the base of the group in this way, Thorn believes it will be much less exposed to the vagaries of economic cycles. Its present business has a short produc-tion cycle, and is highly geared ing. Indeed one analyst estimated yesterday that the up-swing in UK spending on con-sumer durables had boosted would its profits by some £30m

likely to move along hand in hand—a fact which seems to have weighed quite heavily in Thorn's thinking.

 In financial terms, the approach also comes at a good moment. Thorn has been spend ing very heavily on its rental assets in recent years—colour television and, in particular, video cassette recorders. The impact showed through in its last balance sheet, where net debt of over £290m represented gearing of nearly 50 per cent. But that pattern is changing. But that pattern is changing. As the group's spending on video rental — which has been approaching £200m a year—passes its peak, the cash surplus being generated by these assets will move ahead quickly. Thorn's depreciation provision is already running at very roughtly £250m a year, "Over the next two years, the investment profile of our existing business will show a significant difference," Mr Laister explained. explained.

explained.

This point will not have escaped the attention of British Aerospace. It is committed to a heavy product development programme on civil and military aircraft which will soak up very large sums of cash in the next few years. other domestic appliances £580m; lighting £250m; video, software and leisure products

few years.
So Thorn has the financial freedom of manoeuvre to make a major diversification in this a major diversification in this way, and it also has the motive. Its share price has been supported by a strong profits performance—City projections indicate a rise from £122.2m pretax to £150m or more in 1983-1984, and a further significant gain in 1984-85—so now may be a good moment in the economic cycle to consider a takeover. cycle to consider a takeover.

Yet there seem bound to be big reservations about its choice of partner—doubts which will focus in particular on the civil aviation side. This would bring a major new element of risk into the business; an activity which has very long product cycles, require substantial intion cycle, and is highly geared vestment in the early stages of to the level of consumer spend- a project, and which is up against a dominant U.S. compe

With hindsight, investors would probably admit that they over-reacted to the news of the a year—a figure which would EMI bid in 1979. But that does be immediately vulnerable to not mean that they will be willany squeeze on disposable ing to take the management's incomes. Profits on television thinking on trust this time

'THEY CAME TO US, WE DID NOT GO TO THEM, AND SO FAR...' agreed to give it £250m in . important decisions. Two

"THIS IS very, very early days," was the cool comment last night of Sir Austin Pearce, chairman of British Aerospace. "They came to us, we did not go to them and so far we have not got any of the details of what they do, where they do it, or how they

At first sight, he said the two groups appeared very dis-parate and there might not be any common ground for an eventual merger. He did not think there was a possibility of any part of BAe, such as the Dynamics group, being merged with part of Thorn EMI. It would have to be a total marriage, or no marriage

Treasury enters

Tim Lankester, the Treasury's

new waters

For BAe, the Thorn approach comes at a time when the company is facing major technological and financial challenges as it looks ahead to the likely aviation markets of the late 1980s and

The company ranks among the top half-dozen world aerospace groups, but with a 1983 turnover of £2.3bn it is nevertheless relatively small when set alongside giants like Boeing, Lockheed and Mc-Donnell Douglas.

Its greatest strength is on the military side, with the British Government very much a captive customer.

Sales of military aircraft and guided weapons accounted for close to fibn last year. Not only is the British Government the major customer, it is also the major

shareholder. Having privatised the group in 1981, its shareholding now stands at nearly 50 per cent and its attitude to the takeover approach will be decisive. The Government faces a dilemma: should it retain a direct interest in a vital strategic industry or very powerful UK-based com-

Major military aircraft currently under production include the advanced Tornado

combat aircraft, as part of the Panavia group (which also comprises Messerschmitt-Bolkow-Blohm of West Germany and Aeritalia of Italy), the Harrier vertical take-off fighter, and the Hawk ground-

attack trainer.
On the civilian side, the risks are high. Apart from manufacturing short haul jets of various types, BAe is a 20 per cent shareholder in Airbus Industrie, the European airliner manufacturer, and is building the wings for the A-300 and A-310 widehodied lets.

The company breathed a major sigh of relief recently when the Government finally launchaid to help the deve-lopment of Airbus Industrie's narrow-bodied A-320, for which BAe is putting up about £400m of its own money. Sir Austin recently divided

BAe's future into three time-spans: the first through to 1986, the second to 1990 and the third from then on. The emphasis, through the next three years, he said, would have to be on improv-

ing the efficient use of all the group's resources, in terms of people, equipment and

For the next period, up to 1990, the company faced some

had already been taken — the development of the A-320 and the 64-sent Advanced Turbo Prop Airliner (ATP), whilst work on the UK's own version of the future European fighter, was under way.

"All these programmes will demand additional company investment in materials, machinery, and people's time. To create the resources for these investments we have to produce the revenue from existing projects and that means more sales, together with better prices and reduced

Michael Donne

Men and Matters

42-year-old head of the Home Finance Group, has set an intriguing precedent by becoming the first official from the corrihave handled business being dors of Great George Street to placed on the London market by Alexander and Alexander in the land a non-executive directorship with a commercial com-U.S. Now they are expected to handle the same business at Lankester, one of the Trea-Howden Group, working in its sury's high flyers, will be com-bining his oversight of monet new wholesale brokerage sub sidiary, Alexander Howden Ltd A cosy arrangement for A and A which, of course, now owns

Howden.

ary and financial institutions with regular attendance on the Board of Ocean Transport and Trading, the Liverpool-based

shipping group.

It is part of an effort by the Treasury to forge closer links with the "real" world of industry, although officials from other departments have taken similar Lankester himself is no

stranger to the wider world outside the Treasury. He started his career with the World Bank in Washington and New Delhi and has worked as private secretary to James Callaghan, at No. 10 as well as to Mrs Thatcher when she took over the premises in He also had a spell with S. G.

Warburg, the merchant bank in 1981 before returning to the Treasury in 1983. Ocean Transport, which made the initial approach to the

Treasury, seems to be getting an extremely good deal, for Lankester is not accepting a Lankester is not accepting a fee for the directorship. But he has made it clear that if any conflict arose with his work for HMG, he would have to resign from Ocean at once.

Walkabout

More waves in Lloyd's insurance market yesterday when it got about that four senior Sedgwick brokers are moving across to rivals the Alexander Howden

Group Most of those in the know had been anxious to keep the mass transfer quiet for at least a little longer while some loose ends

might now be expected to be thinking of slowing the pace of his working life. Godfrey's career has taken him steadily up the ladder at chartered accountants Ernst & Whinney to become senior partner in 1980, serving two years as chalrman of Ernst &

At Howden they are at pains

to explain that they have not been poaching in their rival's

offices.
"The four decided they

wanted to change their careers

and they approached us" a Howden man tells me.

ued esemeder s.w.) 10 eno Sui At the age of 60, Peter Godfrey

Standard bearer

Whinney International.

In addition to his respon sibilty for some of the firm's major audit clients, Godfrey has acted as a Department of Trade inspector on two investigations-into Pinnock Finance and Rools-Royce. He also sat on the Fay Committee which looked into the Crown Agents. Far from easing himself towards retirement, Godfrey has accepted the demanding job of chairman of the Accounting Standards Committee in succession to Ian Hay Davison who bas retired after only two years of

Davison has had a controlonger while some loose ends are being tied up.

Dennis Mahoney, Brian Ainsworth, Paul Chilton, and Ian Waite are the four men involved. At Sedgwick they

the usual three-year term to devote his full-time energies to

his job as chief executive of



sickhe be vaccinated against becoming a nursery revolution-

mandatory statements of recommended practice.

Above all be has had to reside over the often stormy search for a compromise on the question of accounting for changes in prices—finding a successor to current cost accounting. "There were times when I really thought we would never agree," Davison confessed yesterday. "In the end we got a unanimous vote on the publi-

Godfrey hopes that his period as chairman will not be too contentious. But he is happy to continue the debate on eca and to consider any new work on the subject. Accounting standards, he says, must be acceptable to the business community. "We don't

cation of the statement of

intent."

want to legislate for every last piece of detail but will concen-trate on essentials."

Name dropping

Hyper, mega, and super, are the

SOFT of words more usually asso ciated with computers than cul-tural and scholarly pursuits. Yet cultured and scholarly

was how Sir Edwin Nixon chairman of IBM (UK) yesterday described the ambitious project by Oxford University Press to computerise the Oxford English Dictionary.
When it emerges in its elec-

tronic form it will be the New Oxford English Dictionary — or NOED — an abbreviation which sounds neither cultured, scholarly, nor particularly nice. Sir Frederick Dainton, chair a member of the NOED advisory council, pondered on calling it CO-ED. "the Computerised Oxford English Dictionary." But that it hardly seemed appropriate to an institution that had denied access to women for 93
per cent of its existence.
Why not, one wonders call it
NODE — a name to please computer specialists' love of acronyms while signifying a point

of access to information in data communications jargon.

But perhaps that would be a even than committing the touchstone of English culture to magnetic tape.

Smell of success From America, I hear that a

certain Dudley Taw, of Cleveland, Ohio, has concocted a man's cologne designed to help promote its user to a position of great wealth and power. The cologue is called "CEO," which stands for chief executive officer. For the man who wants to smell like the boss.

The fragrance, I gather, is not over-powering, but rather " light and mellow." According to London-based marketing consultants, Kraushar and Eassle. business is booming for "CEO." But competition is already hotting up.

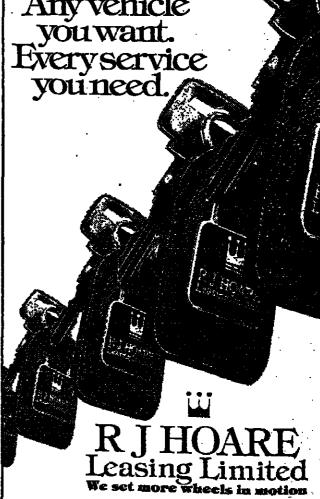
Victor of Milano, a subsidiary of Milan Perfume, has intro-duced "Wall Street" on the American market, "for the man who does more than trade stocks and bonds."

Observer

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WEST GERMAN STRIKE WAVE

Now the real battle begins

By Rupert Cornwell in Bonn

JUST PINPRICKS, the West German engineering union IG Metali is modestly calling its first, selective strikes this week in the mightily prosperous region around Stuttgart. But if the results already

achieved are anything to go by, these first hours of the real battle for a 35-hour week would seem less an experiment in industrial acupuncture than a heavy gouge taken to the country's body economic.

Thus far a mere 13,000 men at 14 car component factories in northern Baden-Wuerttemberg have downed tools. But hardly had they done so than the prestige motor manufacturer RMW, which employs 41,000 people, announced it would have to largely close down its four main German plants for lack of main German plants for lack of parts. Other car companies are-

set to follow suit

The confrontation is shaping up as the worst industrial dispute since late 1978, when 60,000 steel workers struck to demand a shorter working week. the mere prospect of serious strikes has been one reason why the Bundesbank has spent hundreds of millions of dollars lately to prop up the D-mark, and why the Frankfurt stockmarket has had a bad case of

And these financial flutters betray a deeper fear: that with-out a settlement in the near future, chaos in the engineer-ing industry could snuff out the promising upswing in the German economy—on which not only the presently embattled centre-right coalition in Bonn, but also economic strategists around the world, are counting

In a way, it sounds just like Britain: the car industry threat-ened with paralysis; the printers, also campaigning for a 35-hour week, playing merry, if intermittent hell with news-paper production, the public sector worker and railway unions talking of solidarity

action of their own. But in West Germany the effect is somewhat more telling. In the first place, the country is simply not used to strikes on the scale that could now on the scale that could now happen. Here, unions have traditionally worked closely with management. The trauma of World War II has seen to it that economic performance has been the main measurement of national success.

Hardly less infinential is his assertive deputy. Herr Fran Steinkuehler, and 15 years his funior. Herr Steinkuehler in fact comes from the Stuttgart area—and his chances of succeeding to the top job in the main measurement of national success.

Hardly less infinential is his assertive deputy. Herr Fran Steinkuehler, and 15 years his funior. Herr Steinkuehler in fact comes from the Stuttgart over its proposed amnesty for succeeding to the top job in arising from contributions to party funds.

But what has really stiffened the unions' back has been



IG Metall's chairman Hans Mayr (left) with his deputy Franz Steinkuchler

of management-union sparring on a shorter week would have ended in a peaceful solution.

Just why they did not, will doubtless long exercise social interpretations and sparring of the present struggle.

And whatever the tangible hardening now of the resolve of both leadership and rank-and-file, as the stakes grow higher, both entered the strike indeed.

historians.

Increasingly the unions are run by men of a post-war generation, who see a shorter working week if not as a re-ward for decades of success, at ward for decades of success, at least as a means of bringing many of the country's 2.2m unemployed back to a job.
Germany's potent leisure ethic is also at work — as is the union movement's need to reassert its authority and independence and

to secure some recompense for the belt-tightening demanded of labour by the Christian Democrat-led Government, since its return to power in the autumn of 1982. Wages rose in 1983 by less than the rate of in-

The entire momentous battle

The entire momentous battle is being led on the union side by an unassuming but infinitely skilled negotiator, in the person of the 61 year old Herr Hans Mayr, who took over as head of IG Metal only last October, but after 20 years experience on its executive.

Hardly less influential is his assertive deputy. Herr Fran

with reluctance; polls indeed suggest that shopfloor misgivings still remain.

The 13,000 so far called out

are fewer than in all but one of the 12 strikes in the engineering and steel industry here since 1948. The union has been careful to skirt the troubled heartlands of the Ruhr, where strike ballots probably would not have given the 75 per cent approval required. Instead, IG Metall picked on

the flourishing, traditionally militant areas around Stuttgart, and around Frankfurt, where similar strikes are scheduled to start next Monday. However, even in those two regions, the "Yes" vote was only just over 80 per cent—the poorest result of any since a four-month dis-pute in Schleswig-Holstein in

But in the formight since those ballots, the strikers' mood has hardened appreciably.
A smaller determinant has been resentment about what is seen as the Government's cack-

bsolute and enduring refusal of the engineering employers to the engineering employers to compromise. Manths back Herr Steinkuehler, seen as a hard-liner, was signalling IG Metall's readiness to do a deal, whereby a shorter week would be phased in graduelly

be phased in gradually.

Frequently it seemed—indeed it often still does—that mere acknowledgement by manage-ment that the 40-hour basic week was on the way out would be enough to deflate the dispute

and quite quickly.

But neither Gesamtmetall,
the engineering employers
association directly involved in the negotiation, nor the wider front of industry behind it have budged, sticking to their argument that a 35-hour week on full pay would raise costs by 20 per cent and drive German companies out of business.

The counter-offer devised by Herr Dieter Kirchner, a top official of Gesamtmetall remains basically unchanged: a pay increase of just over 3 per cent, the facility for early retirement at 58 instead of 63, and more flexible working hours.
But whatever the economic

merits of their stand, or the drawbacks of a shorter working week, these are perhaps not the main points at issue any more. The red and yellow posters of IG Metall may proclaim "instead of unemployment for many, more free time for all," but what is even more imporbut what is even more impor-tant now is to prevent the union suffering a knockout defeat by hollow ring, but a few more "pinpricks" and the tune might swiftly change.

In West Germany there is no equivalent of Britain's Acas, and Herr Mayr has rejected —for the time being at least— the idea of a political mediator (even if an obvious candidate were to hand), so the outcome of the dispute would seem to depend on which gives out first: the capacity of the union move-ment to finance a really exten-sive strike, or the readiness of companies to withstand severe sales and production losses.

The answer, however, may be sooner in coming than expected. Thus far, only the north Baden-Wuerttemberg employers have decided to stage retaliatory lockouts—in which situation the union has to give strike pay not only to its own members but to all workers affected.

But what is already happening in the flourishing car industry might have similar consequences. The components shortages affect a sector which. directly or indirectly, provides tobs for one in seven of all German industrial workers. Not only do they boast annual

exports of DM 72bn, more than any other sector of industry any other sector or industry; between them the car com-panies employ 680,000 people, their suppliers a further 900,000. BMW made clear that the people it was forced to lay off would receive no pay from the company, even though it carefully avoided using the

The right of companies to stage "cold" lockouts (ie in cases where they themselves are not directly strike-bound) is a matter of legal contention here. Even so, the more quickly the strike's effects ripple out from the Baden-Wuerttemberg epi-centre, the greater is likely to grow the financial pressure on IG Metall—for all its vaunted war chest" of over DM 450m of immediately available funds, built up in recent years. This vulnerability is a clear target of

the employers.

For the moment such calculations are unspoken, of course Both sides to daily through the motions of professing their readiness to restart negotiations, while quarrelling over whether this should be nationally, or piecemeal at a regional level, as the union would like. Right now the words have a

London economic summit

High time for Europe to act in concert

By Henry Owen

IN HIS recent article in the be of special concern to better understanding among th countries are to fulfil their potential. A good case in point: it was the inability of the European Community to agree on tough and enforceable European national oil import ceilings at the Strasbourg European Summit which led to the overly generous seven-nation oil import cellings agreed a month or two later at the 1979 Tokyo

The authors of the Trilateral Commission report referred to by Mr Davidson are also right in wanting to see summits revert to the pattern of trade-off bargaining and decision-making established at the Bonn 1978 seven-nation Summit, when the U.S. removed oil import price controls in response to the controls in response to the economic growth and trade decisions that it secured from its allies. The removal of these U.S. controls was probably the most important element in Western energy policy in the late 1970s, but it was politically impossible, for domestic reasons, for a U.S. President to the energy of the property of the president to the processed in an international be encased in an international

package. The trick at London and suc-ceeding summits will be to take account of both these conclusions. Indeed, they are mutually reinforcing. The kind of bargain that the Trilateral Commission report proposes is more likely to be struck if the European nations can achieve treater units which would greater unity, which would enable them to deal with the U.S. and Japan on a basis of rough equality. This unity, in turn, is more likely to be achieved if the European countries can see how it would help them to negotiate useful agreements with the U.S. and Japan, at the summit and elsewhere.

The definition of a useful summit agreement, now as in 1978, is one that will make it easier for a U.S. President to change course. In this case the change would involve taking

In Davidson is right in tensifies an even more basic itself, lead to a reduction in saying that the European problem: the low rate of U.S. existing barriers to more get their act together if the summits of the seven industrial countries are to fulfil their tensifies a built-in tendency ments relating to these tensions. is the mirror image of Japan: there is a built-in tendency toward a high consumption which keeps the U.S. savings rate low, even in the face of the high incentives now provided by tax laws and high interest rates,

Because the U.S. has a low savings rate, it needs to import capital from Europe and Japan. That need is enhanced by the fact that the U.S. federal government competes with the private sector in seeking savings to finance its deficit. That same deficit creates doubts abroad deficit creates doubts abroad about the U.S. economy, which could diminish capital flows to the U.S., and the resulting higher inflation and lower growth could do considerable damage to the world economy.

The European countries need to consider what actions they could take to make it easier for a U.S. President to reduce this

deficit. I suggested some of

The U.S. needs to import capital from Europe and Japan

these economic actions in this space on February 1 this year. The Trilateral Commission report proposes another type of package, with the European countries offering a greater defence effort in return for a reduced U.S. deficit. But whatever form European actions take, they could be more convincingly pledged by the European Com-munity countries as a whole than by individual European countries. One of the major goals for the Community's heads of government should be to work out a package to offer the United States, if not at London in 1984 then at the Bonn Summit in 1985, to this end. If they do not revert to such a pattern of trade-off bargaining and decision-making, even very informal and intimate summits the painful decisions required informal and intimate summits to reduce the large U.S. struc- will not accomplish much. No

will achieve the desired result. Prime among these barriers now is the U.S. structural deficit.

When Dwight Morrow, a pros perous Morgan partner, was wondering whether to accept President Coolidge's proposal that he become U.S. ambassador to Mexico, he asked the President what good he could hope to accomplish in that country. Coolidge answered that the job of governments is not to do good trings; it is to avoid or prevent bad things from happening. Morrow's job in Mexico, he explained, would be to avert the then threatening war between the U.S. and that country.

Coolidge's comment is even more relevant to the role of the seven-nations summit than to that of national governments. Summits have been at their best when they made it politically easier for heads of government to remove or reduce obstacles to sound growths (eg, oil price controls and trade barriers), rather than when they posed goals (eg, specific national rates of growth) that their governments lacked the means to achieve. achieve. The next round of summits can help to rid the world of a very large obstacle to growth, the U.S. outsized structural budget deficit.

As at Bonn in 1978, the domestic U.S. political barriers to necessary action are evident. Now as then, only U.S.-European co-operation can help to overcome those barriers. This co-operation requires a U.S. will, at the highest level, to reduce the deficit. It also requires the kind of bargaining discussed in the Trilateral Commission report. Here is a key mission report. Here is a key reason for the European Com-munity countries to seek greater unity, which will help them to carry out that bargain-

Dealing with the debt crisis

From Mr W. Low

Sir,—International bankers have been almost as fast in proposing solutions to the inter-national debt- crisis as they which created the current turnoil. Mr David Potter's sug-gestion (May 9) that all lending countries should reduce their interest rates by, say one-third is superficially attractive. It contains a fatal flaw, however, namely, that if Mr Potter's proposal is implemented then all depositors also will earn onethird less in interest. In other words, Mr Potter is asking that someone else should pay for the errors committed by the

I would be more impress by bankers' proposals to resolve the international debt crisis if they did not involve the use of funds belonging to innocent individuals to enable banks to escape the consequences of their mistakes. I have yet to hear a banker propose to alleviate the burden of debtors by reducing the generous fees earned by banks in arranging such loans. In fact, it is my under-standing that several so-called "reschedulings" have resulted in lenders receiving higher fees!

Any assistance provided by Governments (otherwise known as taxpayers) to troubled banks should involve an element of reciprocity—a concept not un-known to the international financial community, for example, state aid could be extended in return for a stake in the recipient bank's capital As bankers themselves are fond of saying, there's no such thing

William F. Low. 25, Majestic Drive. Isle of Man.

Wrongful use of insolvency

From Mr T. Donaldson

Sir,-I have read with interest the discussion about the Government's proposal to ban directors of companies which go into involuntary liquidation. It seems to me that the Government's basic position is sound, but that the objections of the CBI and others also are valid. The absolute rule proposed will indeed discourage people who might be able to turn a sick company round from

accepting the challenge. Surely a compromise is possible which meets both points of view. Anybody who had been a director of a company for less than a given period, perhaps a year, before the start of the liquidation (or appointment of a receiver or

Letters to the Editor

administrator if this leads secrecy and discretion regarddirectly to the liquidation) should be provisionally exempt from the ban. The proviso should be that any creditor or shareholder could petition the court to lift the exemption; the court should only do so if satisfied both that the director had behaved imprudently or im-properly, and that this behaviour contributed signifi-

cantly to the company's failure.

Beyond the one year period,

a director should be able to request exemption from the ban if he could show: (i) that the company had already been in serious trouble when he joined it; (ii) that he had joined at the specific request of one or more creditors or shareholders to try to reverse the company's decline; and (iii) that, apart from any normal errors of judgment, he had done everything reasonably possible to save the company. The onus should be on the director to demonstrate this. He could, however, presumably call in aid the bankers or institutional lenders or share-holders who had initially asked him to go on the board and had worked with him in his efforts to save the company. Indeed, he could make it a condition precedent to joining that reput-able shareholders or creditors certify to the first two points in Thomas H. Donaldson.

Rignall Road Great Missenden,

Loyalty is possible

From Mrs E. Windust Sir,—I was interested and heartened to read the article by David Brindle (May 12) "GCHQ union loyalists try skittles option," but in his last paragraph he commented that it was a remarkable "that in view of all the publicity none of the of all the publicity none of the 150 union loyalists had said a word about the details of his or her job. As the wife of a GCHQ "C" optant I must differ from Mr. Reindle on that point GCHQ "C" optant I must differ from Mr Brindle on that point. In my opinion it is not at all remarkable that none of the union loyalists has said a word about his or her job. An essential point of the trade union's case against the ban is that there has been no conflict of loyalties about the need for

ing their jobs, and more im-portantly despite the extremely difficult circumstances in which these trade union loyalists now find themselves there will be no conflict of loyalty in the future regarding the absolute secrecy, which of necessity, surrounds their jobs.

It is possible, even in 1984, for GCHQ workers to remain loyal to their work and to their (Mrs) Elaine R. Windust. 31, Hales Road, Cheltenham, Glos.

Objectivity in monitoring

From the Director, Centre for Decision Making Studies, Tavistock Institute of

Human Relations. Sir,-You have recently published three pieces of news on worker participation which reflect a growing measure of Incomes Data Services argues (May 8) that the EEC fifth directive on industrial democracy could still become law (May 8). Mr Pat Lowry, the chairman of Acas, urges (May 3) companies not to wait on legislation for worker involvement but to act now because without it "we shall because without it we shall never get our industrial relations right." In the same issue you say that the "Government is planning to exert stronger pressure on companies to take positive action ..." and Mr Tom King, the Employment Minister, seems to think that the 1982 Employment Act Section 1 gives the necessary stimulus by ask-ing companies with more than 250 employees to say in its 250 employees to say in its annual report what they are doing about information disclosure and involvement. The Government sees the voluntary approach enshrined in the 1982 Act as an adequate substitute for the mandatory proposals of the EEC. This may very well be so, but it has to be tested. Being a sensitive issue, it is

unfortunate that the Depart-ment of Employment seems intent on monitoring the success of its own legislation. One doubts whether objectivity can be achieved in the circumstances of the political pressures surrounding this topic. There has in fact been a tendency in recent years for protagonists of particular policy preferences to carry out what is described as "research." Some of it has been disturb-ingly bad and will bring real

fact-finding into disrepute. The Department of Employment, however, has joined the ESRC and the Policy Studies Institute in one of the most important recent research projects in industrial valuations. industrial relations. The first publication from this joint sponsorship came out last year and has been widely acclaimed. One hopes this will create a recedent. Evidence must not only be true but must be seen Dr Frank A. Heller.

Tavistock Centre. Belsize Lane, NW3.

Obsession with

exam results From Mr J. Gleadow

Sir,—Parental insistence on academic qualifications received no mention (May 14) as playing a part in the obsession with exam results. While parents may happen to be employers, their reasons for wanting qualifica-tions are not entirely identical, and they have a greater ability to influence achievement.

Education to standard with-out the need for exam results is indeed desirable, not least be-cause it would generate the action between employers and candidate or employee.

Both parent and employer

could be expected to encourage an exam-less education if the public system on offer were to display management and marketing expertise, indulge in public relations and, above all, communicate properly and pre-sentably to its clientele.

The irony of the situation you outline is that employers are creating a demand which will positively encourage "ivory towers," and in time produce candidates unsuitable for the very same employers! Moieties Farm,

From Projessor D. Myddelton.

Cowbeech, Sussex The plan for

Sir,—Mr Scargill is quite right to say that the 1974 plan Last year's Monopolies and Mergers Commission report noted that between 1974 and 1982 the average reduction in 1.7m tonnes a year, compared with the 3 to 4m tonnes a year envisaged in the plan for coal. In total some 16m tonnes a year of capacity now needs to be closed simply to implement what all the unions agreed in 1974. According to the MMC report, in 1981-82 the worst 16m tonnes of capacity accounted for losses before interest of at least £332m. Not many industries could afford to throw away so much money each year and still survive.

D. R. Myddelton (Professor).

Cranfield School of Management Cranfield Institute of

ancient circle ofstones

tural deficit. That deficit should amount of good conversation and

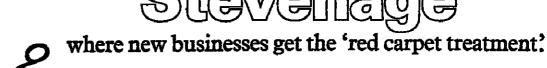
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FINANCIAL TIMES

Wednesday May 16 1984



Industrial production in U.S. up 1.4%

By Stewart Fleming in Washington

INDUSTRIAL production in the U.S. rose by a strong 1.4 per cent in April, according to the Federal Reserve Board. The rise, which is larger than many economists anticipat ed, underlines the momentum with second quarter. The Fed's index of industrial production rose to 163.1 in April from 160.9 in March.

Earlier this month, the unem-ployment and retail sales figures for April had indicated that signs of a sharp slowdown in the economy at the end of March might be mis leading and reflect seasonal and weather-related factors.

Some slowdown in the torrid pace of the expansion in the second quarter is still widely predicted, but there are considerable uncertain-ties about the pace of stock building - a major factor in the first quarter's 8.3 per cent rise in real gross national product - and in the level of car production in the second

The 1.4 per cent rise in industrial production after a 0.5 per cent inстеаse in March, is the 17th conseс utive monthly rise in the index. Production of consumer goods rose 1.1 per cent, reflecting a 1.3 per cent rise in non-durable goods and a 0.4 per cent increase in durable consumer goods. A slight decline in the seasonally-adjusted rate of car production is a factor on the durable goods side.

The strength of demand for capital goods and defence equipment was underlined by rises of 1.3 per cent and 1.7 per cent, respectively. Senator Robert Dole, the pow erful chairman of the Senate Finance Committee, warned yester day that there was a growing risk of deadlock over the three-year \$144bn deficit-cutting package which the Senate was considering In a statement which seemed designed in part to put pressure on the Senate to act, Senator Dole warned that if Congress failed to act, "I think you will see a small shock on Wall Street."

Confusion on Peru's IMF loan terms

Euromarkets Correspondent

CONFUSION reigned among foreign bankers yesterday about Peru's unwillingness to stick by its recently approved International Monetary Fund (IMF) programme after senior government officials denied reports that Peru wants to revise the terms of its agreement.

Sr Brian Jensen, general manag-er of the central banks, said that the reports were "completely false." Earlier news agency reports from Lima had quoted Prime Minister Sr Sandro Mariategui as saying that Peru could not repay its \$12.6bn foreign debt if it stuck to the IMF

Speaking in New York Sr Jensen said that Peru was "fully committed" to the IMF programme. "The programme is a difficult one but Peru is fully implementing it," he

Sr Jensen is in New York with Sr Jose Benavides Munoz, the Economy Minister, for talks with bankers before going on to Washington on Friday. He said the minister was preparing a formal statement denying the reports from Lima.

In Washington the Peruvian officials will visit the IMF where they will present statistics showing that Peru complied with the programme during the first quarter of this year, Sr Jensen said.

None the less the programme has been highly controversial in Peru. Sr Carlos Rodriguez Pastor, the former Economy Minister, who negotiated the programme with the IMF, resigned six weeks ago and the IMF itself delayed formal approval of a Peruvian drawing on its funds while it ascertained that the new administration intended to

Marcos confirms size of opposition in poll

BY CHRIS SHERWELL AND EMILIA TAGAZA IN MANILA

40 to 45 seats of the 183 contested in Monday's parliamentary elections, officially confirming the strong performance by opponents of his rule.

The President's assessment, made in an interview with journalists, came as hundreds of protesters staged a noisy torchlight demon-stration outside the office of the Commission on Election to demand a fair official count of the votes.

Early unofficial returns have and Mr Marcos's acknowledgement of the opposition showing is plainly an embarrassment. On election day he forecast a clean sweep in the Manila area, and had previously predicted opposition victory in only

The reverse appears to be the result of a protest from disaffected voters unhappy with 18 years of auto-cratic rule, the assassination of opposition leader Mr Benigno Aquino last August, and the country's eco- an urban bias which would tend to nomic crisis. But the Government is still confidently expected to secure a clear majority in the Assembly.

MEXICO PLANS to shift the fo-

cus of its foreign borrowing next year to reduce significantly its

dependance on commercial bank

financing, Sr Angel Gurria, Di-rector of Public Credit, said in

London yesterday. In 1985, Mexico's net new bor-

rowing needs will be about \$3bn,

almost all of which should be pro-

vided from official sources such as the International Monetary

Fund (IMF) and World Bank, he

Gross borrowing from non-bank sources should total about

\$4bn next year, while Mexico also intends to renew the \$4bn ac-

ceptance facility arranged for its oil monopoly, Pemex, in 1984.

This will leave only about \$5bn in

commercial bank loans to be re-

Mexico was not in a hurry to

ume free market borrowing from banks but was now receiv-

financed, Sr Gurria said.

told a press conference.

PRESIDENT Ferdinand Marcos that, in the checking and correlation of votes, the official results last night conceded that opposition tion of votes, the official results parties in the Philippines would win may be at odds with the early pro-

Mr Salvador Laurel, head of the opposition United Nationalist and Democratic Organisation (Unido), last night met the election commission chief to express concern about alleged instances of ballot box theft and suspended counting. "We don't know what monkey business is going on," he said afterwards.

The initial forecasts were calcu-Free Elections (Namfrel), an independent citizens' watchdog body, and yesterday its chairman, Mr opposition parties might win up to 60 seats - in line with the opposition's own more optimistic pre-elec-

It is this sort of prediction, and the public's own growing sense of anticipation, that Mr Marcos may be hoping to counter. The Namfrel "quick count" is reckoned to have favour the opposition. The Government nevertheless

ticularly in the Manila area, where opposition victories are now expect-Last night's demonstration in ticularly in the Manila area, where

Mexico plans switch of focus

ing "expressions of interest" from

banks willing to lend to state bor-

rowers such as the sugar concern

Finasa. "If it turns out to be a

well-supported, serious and fully underwritten offer and we feel it

would fly, we'll take it," he said.

Gurria and Sr Francisco Suarez, Deputy Finance Minister, both

pointed out the differences be-

tween Mexico and other debt-rid-

den Latin American countries.

Higher interest rates would cost

Mexico about S1bo in additional

debt service costs this year, but

the country's balance of pay-

ments was strong enough to sup-port this, Sr Suarez said.

He said there was a need to

tackle debt problems over the

medium term, but Mexico's bol-

ster of \$16bn annually in oil ex-

ports made its problems different

At the press conference Sr

in foreign borrowing policy

ed in a majority of the capital's 23 seats. This is a particular blow for Mrs Imelda Marcos, the President's wife, who is governor of Metro-

The election has been marred not only by polling and counting irregu-larities but also by violence. Scores of people are believed to have died in the past few days in clashes between the army and suspected left-wing guerrillas. This and the country's serious economic crisis are problems still to be tackled.

Meanwhile, a substantial in-crease in Government withdrawal of deposits in the central bank has aroused suspicion that the Govern-ment has spent heavily on the elecment has spent neavity on the elec-tion campaign. The election had de-layed approval of the SDR 615m standby credit from the Interna-tional Monetary Fund (IMF)which is expected to give way to a financ-ing package that would help the country out of its debt crisis.

The IMF facility is now expected to be approved in a few weeks, and will be followed by the lifting of the moratorium on foreign payments. The central bank is maintaining interest payments of foreign loans appears to have been shocked, par- and yesterday released \$105m to

Sr Suarez added that Mexico

would probably be prepared to

renew its credit agreement with

Argentina beyond the May 31

deadline if more time was needed for the Government of

President Raul Alfonsin to reach

agreement with the IMF, but it would be "difficult" to provide

even more money for Argentina.

good chance that Argentina

would reach an IMF agreement before June 30 when it has to re-pay commercial banks the \$100m they put into the March emer-

gency rescue package. If there was no agreement by then, much

would depend on whether the banks insisted on repayment or

whether they, too, would be pre-pared to extend the maturity of

U.S. sees no need for ch

their advance.

Sr Gurria said there was still a

to lift stake in Roussel By David Marsh in Paris COMPAGNIE Financière de Suez

Paris bid

the French nationalised financial and industrial holding company, has launched a bid to take over part of the French Government's stake in Roussel-Uclaf, the thriving Franco-German pharmaceuticals group. The Suez initiative, although not officially confirmed by the group last night, appears to be part of a series of financial maneouvres taking place in Paris to pave the way

in Roussel-Uclaf in 1986, industry Roussel-Uclaf, which is 54.5 per cent owned by Hoechst, the West German chemicals group, last month declared a 150 per cent prof-its increase for 1983 to FFr 352m

The company narrowly escaped nationalisation in 1982, but the French Government took a 40 per cent stake and left open the possibility of increasing its share to 50 per cent when the shareholding agreement expires on July 1 1986. Hoechst, however, adamantly re-

fuses to contemplate lowering its

its stake has been increased by Roussel-Uclaf's evident profitability and by the opportunity given by greater state control of enhanced collaboration with state-owned pharmaceuticals and chemicals groups such as Rhone-Poulenc.

The Suez appetite for a Roussel-

Uciaf stake has been whetted by the group's desire to build up a more active range of industrial shareholdings in technologically advanced companies

A decision on Suez taking part of the state's share would depend on agreement with the French Treasury, which owns the Government's

Reuters set for public listing

Continued from Page 1 for more stock than we had avail-

"We started the underwriting at 9.30am and by Ilam we knew we had no problem. We had a very wide range of institutions who did some pension funds and insurance companies to the boycott."

Many stockbrokers and investment managers remained confident that the boycott, organised by the National Association of Pension Funds and the British Insurance Assocation, and aimed at expressing opposition to Reuters unequal voting structure, had been

One fund manager put the figure of major institutions to boycott the issue at between 20 and 30.

Mr Geoffrey Musson, chairman of the NAPF investment committee, said: "We are very happy. There was the odd instance of a pension fund taking its own line but I am not worried that the mass of our members will continue the boycott at the subscription stage."

One major investment group, a member of the NAPF, said: "We took up our allocation of 400,000 shares. As long as the stock con-forms to the Stock Exchange's listing requirements and you know you have restricted voting rights you are going open-eyed into the invest-

Mr Peter Sedgwick, a director of Schroder Wagg, the UK merchant bank, said: "We accepted all the shares we were offered though we will not place them with our inves-tors without their express approv-al."

France seeks price cut on Siberian gas

By Paul Betts in Paris

GAZ DE FRANCE, the French state gas utility, is negotiating with the Soviet Union "an important cut" in the price the French company pays for Siberian ges in its latest con-tract with Moscow, according to M Pierre Delaporte, managing direc-

The contract involves supplies of up to 8bn cubic metres of Soviet gas a year. The first deliveries of gas under the contract began this year

France and the Soviet Union are due to hold talks on the issue soon and, although the negotiations are expected to be long, M Delaporte said the Soviets had indicated they would make any price changes retroactive to the beginning of the year if agreement was reached.

The French utility would also welcome a slower supply build-up and as much flexibility as possible

THE LEX COLUMN Wings for the Thorn bid

Thorn EMTs plan to merge with British Aerospace could either win prizes for being one of the most imaginative corporate initiatives for years, or end up condemned as one of the most illogical pieces of oppor-tunism. At first sight, yesterday afternoon the market seemed genu-inely surprised, and almost help-lessly bemused, trying to weigh up a proposal which looked at least as unlikely as the recently rumoured GEC bid for Distillers, and perhaps rather less plausible than the er between Thorn and EMI in 1979.

Thorn EMI yesterday was put ting its effort into making a case for the merger based on industrial logic, although it felt bound to admit in an attempt to defuse monopoly objections - that areas of overlap between the two businesses were few. Both are involved in defence ent, a market where Thorn EMI would like to be larger, and it appears that adding the Thorn elec-tronics interests to BAe's Dynamics could create a combined capacity with turnover in excess of £600m.

Whether that grouping would then have the enhanced international credibility which Thorn is after is more difficult to assess. However, there are also shared interests in developing telecommunications technology, embodied so far in satellites and receiving dishes, where there could eventually be some profitable interplay.
From Thorn EMTs standpoint,

the diversity of the two groups could offer solutions to more than one strategic puzzle. With 65 to 70 per cent of its business in consumer products, Thorn wants to move into what it sees as higher-tech forms of industry, and it also regards BAe as a source of increased overseas ex-

merger seem less compelling, on the whole, than the case which could be made on financial grounds. Although BAe has recently been sporting net cash in its balance sheet, while Thorn EMI is somewhere near 75 per cent geared, the cash requirements of the two companies - and their prospective patterns of cash generation - suggest that these positions could be shift-

at a period when Thorn's video rental activity will be gushing out cash at an embarrassing rate.

This form of financial synergy

British

can be added to the helpful effect which acquiring BAe might have on Thorn's earnings per share - at least in the first year. Until yesterthe 65p which the news added to the BAe share price yesterday (as well as the 11p which crept on Monday) makes this particular calcula-tion rather less attractive. Nor did Thorn EMI shares stand up to the idea particularly well, falling 32p to 583p. But if the Government's blessing is included - and its 48 per cent of BAe is available - a remarkable offer document could soon be wheeled out on to the runway.

Reuters

After all the argy-bargy over Reuters, the appearance of an offer-for-sale document of any description must be counted an achieve ment. The City of London's institutions, not to mention the company and its financial advisers, have invested enormous emotional capital in the whole affair and must be relieved to see the issue at last boil down to capital of a more familiar

Despite the professed equanimity of the Reuters camp about the attitude taken by the institutions, there can be little doubt from the eviing over the next few years. BAe will be ploughing vast amounts of cash into its civil aircraft programmes – notably the A320 Airbus dence now to hand that the offer for sale is a very different exercise from that contemplated a few months ago. Shareholders are sell-

ing only 27 per cent of their collec tive investment - with News International electing to retain its entire holding - and the market capitalisa-tion at the minimum tender price is less than half the more fanciful estimales of £1.5bn which were being bandied around late last year.

The minimum tender price looks. however, to be no more than a long stop. A conservative figure of 180p per share enabled this controversial issue to be underwritten without much trouble yesterday, but the company can rest assured that the price range supplied in the U.S. prospectus looks a much more reliable indicator of the eventual pro-

In practice, this dual approach should give the UK investor a clearer idea of the likely striking price as the New York market, after consultations with London, converges on a consensus figure. The arrangeday morning, Thorn was trading on about 14 times historic earnings, and tender mechanism and its out-BAe on less than 5 times. Of course come will be viewed with consider-

Telecom.

Now that the institutions have been brought to water, they are faced with the tantalising choice of whether to drink. The minimum tender price has been set so low that failure to subscribe at all would almost be a dereliction of commercial duty, while capitulation at this stage would only play into the hands of those who have argued all along that they are motivated less by an issue of principle than by a desire to drive the issue price down as far as possible.

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From the shareholders' stand point, the ideal solution would have shares, wait for the opposition to crumble and then sell gradually into a rising market. This has very reasonably been prevented by an orderly marketing agreement which precludes any further sales of the B shares before early 1986.

The prospectus itself is long on history and general information but somewhat short on detailed seg-mental data. Splitting out the profit or even revenue contributions of individual services is, perhaps, an impractical task, but the upshot is that investors will have little idea about

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Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, F. Barlow, R.A.F. McClean, M.C. Gorman, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd, 1994,

Brazil wins major Iraqi contracts

By Andrew Whitley in Ric de Janeiro

MENDES JUNIOR, the leading Brazilian contractor, has been awarded two major contracts by Iraq, worth \$330m for civil works in the Euphrates River Marsh region, the scene of recent heavy fighting with Iran.

The contracts involve buildings a huge drainage tunnel under the Euphrates, near the town of Nassiryia, an emergency spillway with 11 floodgates and a pumping station. Two canals will be dredged and nine road and rail bridges built. A key feature of contract is the use of on of a 3,000-strong Brazilian labour force. Many of the Brazil-

ians have been working in Iraq on a 1,040 kilometre railway in the north of the country. Yesterday's announcement by Constructora Mendes Junior, the

parent company, that it had re-ceived a letter of intent form Iraq's Ministry of Irrigation, for the pro-ject, coincided with the conclusion of an agreement on "war damages" suffered by the Brazilian company on the Baghdad to Akashat railway Last October Mendes Junior submitted a claim for \$200m in excess

costs resulting from the three year war between Iran and Iraq. An announcement of a satisfactory settle-ment was expected in Brasilia last

World Weather

Alaccio	C	15	58	Dubronsk	E	21	70	Malass	ŧ	20	68	Salabara	S	19	86
Algebra	S	22	72	Farm	F	18	64	Mate	È	23	73	Secol	č	23	73
Algiers	Ē	20	88	Romesce	R	13	55	Manda	:	34	93	Singapore	Ř	23	94
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Athens	Š	21	70	Feechal	F	17	63	Milan	Ē	13	55	Stracker	ė	15	59
Balmant	Š	35	95	Geneva	Š	16	61	Mescow	8	22	72	Sydney	š	ŽĬ	70
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Thorn EMI explores merger with BAe

Continued from Page 1

possibility of any part of BAe being hived off into Thorn EML If there was any merger at all, it would be a total one. He told shareholders that

accounted for more than £1.4bn of turnover last year, and at the end of viously. At the end of 1983 it em-

Nearly 20 per cent of BAe's turnover is accounted for by civil aircraft, including the Airbus family for which it builds the wings, and the BAe 146 regional jet airliner. It

It was suggested by aerospace an-alysts last night that the Govern-"the company is in excellent shape, and I believe we can look forward to a prosperous and exciting future." vided it was satisfied that a merger would be beneficial to the group, especially since it is a major defence a prosperous and exciting future."

Last year BAe earned a pre-tax

profit of £82m on a turnover of more than £2.3bn, compared with a loss of £15m - after special provisions - on turnover of just over £2bn in the previous year. Exports the year orders in hand had risen to £4.9bn from £4.2bn 12 months preployed nearly 77,000.

produces a range of military aircraft as well as weapons including the Alarm air-launched anti-radar missile. The group has worked exment might not be averse to selling off its 48 per cent stake in BAe, pro-

Aerospace analysts said BAe could be more comfortable in a larger group that was prepared to finance its development. BAe's cur-rent share price is well below net asset value, they added.

For the Thorn group, a merger with BAe would be its second daring move in five years into a sector which did not at first sight match its previous businesses. In 1979 it bought the record and publishing group EMI, and the music business now accounts for about 17 per cent of its turnover, which reached £2.89bn in the year ending March

Pre-tax profits in that year were £122m and are expected to have risen to between £150m and £160m in the most recent financial year.

Paris borrowing plan

Continued from Page 1

coming years and lengthening the maturities but declined to go into for the growth in exports.

the report from the Senate - that ing deficit on capital account due ings. Last year's debt service pay- of export credits. ments of FFr 57bn represented 4.4 per cent of earnings from exports the Government yesterday was the

rowing this year - disclosed yester- anticipates that the current account day by M Delors - of FFr 67bn is in surplus will gather momentum, risline with the expectations of the ing from FFr 23bn in 1985 to FFr capital markets. M Delors laid open 42bn in 1988. In political terms this the possibility of French borrowers means continuing with restrictive refinancing their loans over the policies aimed at containing purchasing power to leave more room

The continuing need for foreign He emphasised - in contrast to loans stems from France's continu-France's debt remained modest in both to repayments of principal on relation to GNP and to export earn—the debt and to a large programme Among the figures revealed by

disclosure that French commercial The Government's calculation of credits to promote exports have its future borrowing needs is based grown from FFr 38bn in 1980 to FFr on the current account returning to 63bn last year. The Government balance this year after a FFr 29bn now says that the net credit outflow will flatten out, particularly to coun-Subsequently, the Government tries with payments difficulties.



SECTION II - INTERNATIONAL COMPANIES

FINANCIALTIMES

Wednesday May 16 1984



Conti-Gummi continues improved performance

BY JOHN DAVIES IN FRANKFURT

the West German maker of tyres and other rubber products, has continued to improve its performance and hopes to pay another "sensible dividend on this year's results.

Herr Helmut Werner, the chief ecutive, indicated that a long strike by metalworkers, affecting the motor vehicle industry, "might create a new situation." The company, however, left confident about espects for this year, despite the

Conti-Gummi, which claims second place in the European tyre market after Michelin-Kleber of might be sold or closed. France, consolidated a lengthy recovery programme by paying a divi-dend of DM 3 per share on last year's earnings – only the second dividend since 1971.

ahead at DM 3.39bn.

Herr Werner said that group sales revenue in the first quarter of this year was 12 per cent up on a year earlier; and operating profits were also better; because of an increased volume of sales.

Conti-Gummi's tyre division, in-

Mid-East

Occidental

OCCIDENTAL Petroleum is to se

up a new Bahrain-based gas and oil

exploration and development sub-

sidiary and offer half its shares out-

side the U.S., primarily to Middle

East investors, Reuter reports from

to be named Arab Oxy, are to be

privately placed outside the U.S. by Arab Banking Corporation and Donaldson Lufkin and Jenrette Se-

ABC and DLJ will place 21.5m

Dr Armand Hammer, chairman

of Occidental, said revenues from

operations in Pakistan and in the

Sea, plus the net proceeds from the placing, will enable Arab Oxy to conduct active exploration, develop-

ment and production operations

principally through the Gulf, North

The object of the company, which will be formed by its Occidental Ex-

ploration and Production subsid

iary, would be towards the development of a major regional oil company, he added.

shares in Arab Oxy at a par value of \$10 a share. The offering will begin

curities Corporation.

unit for

al brands, substantially increased its profits last year, in contrast to the general trend in the European tyre industry, said Herr Werner. It had gained ground particularly strongly in heavy truck tyres, while the industry as a whole suffered a

He said that technical rubber products - a wide range of items, including conveyor belts and hoses, making up a third of group sales revenue - made a profit last year for the first time since 1978. But the

Conti-Gummi, meanwhile, is continuing to strengthen its links with partners in Asia, Africa and the

Herr Werner said that the Modi It doubled group net profit to DM group in India, which makes tyres 41.3m (\$15m) on sales 43 per cent under licence from Conti-Gummi, is expanding its capacity to produce tyres for export markets, notably in the Middle East. Modi is also investigating setting up a manufacturing operation in Africa.

licensing arrangement with the General Tire and Rubber Company restrictions.

BY TERRY DODSWORTH IN NEW YORK

brook. This is designed to ensure su the completion of Seabrook unit

allowing the utility to introduce a

immediate cash flow problems.

power station project.

higher rating structure.

avert the threat of bankruptcy for Public Service New Hampshire, the filing for bankruptcy in April, and

New England electricity utility, has Mr Hildreth had also warned that it

been agreed by its partners in the disaster-prone Seabrook nuclear was on the brink of being unable to meet its obligations.

ower station project. The company has already fallen.
The rescue, put together in a race into default on some of its short-

against time by Merrill Lynch Capital Markets, the investment bank dividends on its common and pre-

ing arm of the Wall Street securi- ferred stock, but this week it has

ties firm, depends on the launch of managed to make a \$7.5m interest a new financing entity called New-payment on a \$100m debenture is-

number 1, a crucial part in the res- will be to raise sufficient capital to cue, as the construction will avoid finish the first unit at Seabrook

the need for heavy write offs, while which is about 75 per cent complete.

It is expected that PS New Hamp- ditional \$800m and \$1bn. Newbrook

shire will now be able to negotiate will both provide these funds and

short-term loans of at least \$75m pay interest for two years on the with its banks to see it through its securities of the utilities participat

Further new financing for the antee PS New Hampshire's ability

with the issue of a \$200m to \$300m debenture, according to Mr Robert
Hildreth, managing director of Merill Lynch Capital Markets.

The amount of the plan shirt's new rampsaire's abulity to pay back principial on its loans.

In addition, a sponsor which Merill Lynch refused to identify has stepped forward to guarantee another 18 months of PS New Hampsaire's interest obligations. If the

The announcement of the plan shire's interest obligations. If the has come only just in time to prevent the collapse of PS New Hamp-the sponsor will be reimbursed.

upturn CONTINENTAL Gummi-Werke, cluding the Continental and Uniroy of South Africa is "developing well." Conti-Gummi also has a much wider relationship with Toyo Tire and Rubber Company of Japan and HOESCH-WERKE, the West Gerthe General Tire and Rubber Comman steel and engineering group, pany of the U.S., involving a twoexpects a substantial impro way exchange of technology as well n earnings this year after ending

> The U.S. company began producing continental tyres late last year for the replacement market.
> Toyo has begun making Contityres for the Volkswagen Santana produced by Nissan, and Conti-

as local tyre production.

Gummi is hoping to expand its sales to Japanese car manufactur-Herr Horst Urban, Conti-Guzzmi's finance chief, said there was still no indication that any interests

had gained a major shareholding in To preserve its independence Conti-Gummi proposes to seek shareholders' approval to limit the voting rights of any single shareholder to 5 per cent of the cap-

A number of other West German npanies – for example, Deutsche At the same time, Conti-Gummi's Bank and Linde, the engineering

The main function of Newbrook

Current estimates are that the

project will require between an ad-

ing in the scheme. It will also guar

Turin bank

in takeover

negotiations

Vatican bank.

By Our Milan Correspondent

San Paolo di Torino, one of Italy's

more profitable banks, has been

searching for a major acquisition for some time. It has been interest-

ed in Credito Varesino, the Nuovo Banco Ambrosiano subsidiary

which was sold two weeks ago for L220bn (\$129m). It has also been in-

terested in Banca Cattolica del Veneto, the other Nuovo Ambrosia-no subsidiary which may soon be

sold. But as one of the seven "pool"

banks which owns Nuovo Ambro-siano, San Paolo has run up against a variety of political obstacles.

According to members of the Mi-

lan bourse, the purchase of the Pesenti bank could cost about L500bn.

DM 518m against DM 19.5m in sist primarily of DM 308m in aid

from the Federal Government for rationalisation and investment as Rescue plan agreed well as the liquidation of reserves.

The dip in turnover stemmed from weak steel prices in the secfor Seabrook utility ond half of the year and the sharp reductions in steelmaking capacity. However, personnel costs fell in re-sponse to the 3,000 jobs cut in the course of the year and interest pay ments were down from DM 203m to A PLAN which seems likely to shire. Earlier in the year, the com-

rest of the year.

Hoesch

strong

forecasts

the first quarter comfortably in sur-

The group has managed to im-

prove operating profits for 1983 to DM 30m (\$10.8m) from DM 21m, despite a decline of 9 per cent in

However, the group warned of

two uncertainties affecting the steel

trading, which accounted for a third

of Hoesch's total sales and was also

in the black in the 1984 first quar-

Hoesch is worried that closures

in the motor industry as a response

to the engineers' strike could affect

sales of sheet steel while it is not

certain that steel demand and

prices will remain stable for the

DM 488m, net profits for 1983 were

The extraordinary earnings con-

After extraordinary earnings of

turnover to DM 6.7bn.

Although Hoesch has no inten-tion of paying a dividend for 1983, and probably not for this year either, the company intends to push on with plans for a rights issue this year to help finance modernisation of its steel business during the next

Herr Detley Karsten Rohwedder chief executive, said that Hoesch would "trust in the market" and Hoesch officials pointed to two important successes since the breakup of the Hoesch merger with Hoogovens of the Netherlands in 1982. The painful cuts in steelmaking capacity, including DM 1bn in redundancy payments, have been largely completed. This improves the outlook for profitability in steel-

Rütgerswerke lifts payout after recovery

By Our Frankfurt Staff RUTGERSWERKE, the West Ger-

man chemical group, has increased its dividend after a recovery in sales and profits.

The company, which lowered its dividend from DM 8.50 to DM 7 per share after a setback in 1982, has lifted its payout on last year's earn-ings to DM 7.50. Rütgerswerke, which produces a ISTITUTO Bancario San Paolo di

wide range of chemicals, plastics Torino, Italy's fourth largest bank, has entered formal negotiations for the purchase of Banca Provinciale Lombarda, the private Lombardy Bank which is controlled by Sig Carlo Pesenti. Sig Pesenti is the figure of the group was barely ahead at DM 22.3m, but parent company net profit was up 5.9 per cent

pany net profit was up 5.9 per cent at DM 17.94m. nancier who is under investigation by Milan magistrates for imroprie-ties related to a 1972 loan from the Professor Heinz-Gerhard Franck the chief executive and head of the

West German Chemical Industry Association, indicated that sale and earnings in the first four months of this year were well ahead of the same period last year. The company said that supply of chemicals to the aluminium indus try had begun to pick up gradually only in the second half of last year.

Boesky buys stake in Cooper Laboratories

By Our New York Staff

MR IVAN BOESKY, the Wall Street arbitrageur, has announced share acquisitions worth more than \$35m in building up substantial holdings in two public companies, Cooper Laboratories and Management Assis-

The disclosures, made in filings with the Securities and Exchange Commission, come when Mr Boesky appears to be stepping up the pace of his activities.

Cooper Laboratories is a manufacturer of medical equipment, and has just sold its 82 per cent stake in Coopervision to Nestle of Switzerland. The Boesky stake, acquired since April 5 at prices ranging between \$15.25 and \$25.625 a share, amounts to 8.4 per cent and probably cost about \$30m. Cooper's

earnings last year came to \$8.5m. Both acquisitions were identified in the filings as "investments," and involve other outside shareholders. RESCUE PACKAGE MAY RESTORE CONFIDENCE IN CHICAGO BANK

Conti Illinois banks on futures

tures trader, the chances are you work at the city's largest bank, Continental Illinois. The vast neo-classical building which houses Conti-nental Illinois' beadquarters sits onfutures markets, the Chicago Board of Trade (CBOT) and the Chicago Mercantile Exchange. Between them, they trade well over half of the world's futures contracts and they rely heavily on Continental Il-linois for their banking business.

Yet a few people at the board of trade have taken fright since rumours began that Continental was all the clearing of CBOT trades. the exchange, withdrew \$50m - al-

most all its members' deposits - nental Illinois handled all this busifrom the bank last Wednesday, the ness. day the rumours started circulat-

Harris Trust, Northern Trust and First Chicago, the other big three Chicago banks. Today, the boards meet to decide whether Monday's \$4.5bn rescue package for Continenly a block or two away from the two tal makes it safe enough to put the

money back.
Still the clearing corporation has \$800m worth of letters of credit backed by Continental Illinois and deposited there which are meant to guarantee that members of the exchange and clearing system will be

in some kind of trouble. Chicago Last Thursday night for instance on Board of Trade Clearing Corpora- the U.S. Treasury bond futures contion, which acts as a clearing house tract, \$400m worth of trade had to for all the trades which go through be paid for and a corresponding \$400m had to be collected. Conti-

Mr Karsten Mahlmann, a director and member of the executive

clearing house was wise to with- to sever; the CBOT has just built a draw the money when it did. "Un- multi-million dollar extension to its der the rumours cloud that hung art deco building. It is Continental over the market, it was a prudent Illinois which holds the mortgage. decision the clearing house made The Chicago Mercantile Ex not to put all its eggs in one basket"

cause this is segregated in a trust account, Mr Mahlmann believes it The futures markets are the lynch pin of Chicago's financial

money with the Continental. Be-

community. And within that community Continental Illinois still Of the 156 members of the CBOT

clearing corporation, Mr Mahlmann and are keeping abreast of daily deestimates that two-thirds have a velopments but we haven't seen banking relationship with Contin- anything there that alarms us ental. He claims to have heard of "a enough to take the action that the few" that have already moved that Board of Trade clearing house did." relationship to another bank. Some a CME official said yesterday.

It re-deposited the money with committee of CBOT, thinks the relationships, though, are difficult

The Chicago Mercantile Exchange (CME) uses Continental more than the other three big Chi-Nevertheless, the CBOT itself has cago banks, but has not yet decided between \$12m to \$15m of its own to change the banking relationship.

It and its clearing house have money in Continental Illinois accounts representing members' deposits on "margins," which ensure they are liquid enough to bear losses on their futures trading. A large proportion of CME's members also bank with Continental,

"We are aware of the rumours

Nuovo Ambrosiano split over Centrale

brosiano, the successor to the late vour of the sale of La Centrale. Sig Roberto Calvi's failed Ambroprincipal shareholders, divided over Banca Cattolica del Veneto, a profitthe possible sale of the La Centrale able bank in the veneto region. financial subsidiary.

Although Nuovo Ambrosiano the 20 Veneto ba could probably realise close to buy La Centrale. L300bn (\$176m) by selling La Centrale, thus obtaining badly needed capital, the prospect of losing the group's major asset troubled several of the seven "pool" banks who

THE BOARD of Nuovo Banco Am- the pool, are understood to be in fa-La Centrale, which is 47 per cent siano group, last night went into a controlled by Nuovo Ambrosiano, crucial meeting with the bank's has as its major asset control of

> Banca Cattolica is the target of the 20 Veneto banks who wish to

Nuovo Ambrosiano, however, is in need of fresh capital. Some L350bn of its own L600bn of issued capital is tied up with the liquidaown Nuovo Ambrosiano, Banca Na- tors of the old Ambrosiano. Nuovo zionale del Lavoro (BNL), IMI and is earning about 18 per cent interest Istituto Bancario San Paolo di Torion this L350bn, which is far less no, the three public sector banks in productive than corporate lending.

Mesa plans to buy back royalty trust

MESA PETROLEUM, the aggresspun off to shareholders in 1979, for tunity.

Mesa Petroleum is a leading advocate of the royalty trust concept, where an oil company distributes part of its oil and gas reserves to its ing at (\$34). shareholders in an effort to better realise their underlying value. Mesa's royalty trust is the biggest formed to date. At the time of its formation it accounted for almost and 27.9m barrels of oil. half of Mesa's reserves and was expected to generate future revenues

of more than \$1bn. Mesa stressed yesterday that its

decision to buy the trust back did sive Texas Oil company headed by not reflect any change in its enthu-Mr T.Boone Pickens, is planning to siasm for the concept but should be buy Mesa Royalty Trust, which it viewed as a good investment oppor-

The company will offer S35 for each of 16.29m shares of Mesa Royalty Trust, compared with a price of \$27 before the shares resumed trad-

The trust owns 582bn cubic feet of natural gas and 6.6m barrels of oil, against Mesa Petroleum's reserves of 902 bn cubic feet of gast

Mr Boone Pickens said the pu pose of the offer is to acquire high quality long-lived producing oil and gas reserves at a reasonable price.

Without the Brunel Shield the world's first underwater tunnel could not have been attempted.

The shield, used for tunnelling beneath the Thames at Rotherhythe in 1841, was the brainchild of the father of Isambard Kingdom. The other essential ingredien for this technological breakthrough was private capital.

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Monthly Income Deposit Account

With effect from 13th June 1984 interest on Midland MIDAS Accounts will be increased by 1/2% to 81/2% per annum.



o know

Nards

Midland Bank plc, 27 Poultry, London EC2P 2BX

Sabah Development Bank Berhad

U.S.\$40,000,000 Floating Rate Notes due 1989

In accordance with the provisions of the Notes notice is hereby given that for the six month interest Period from May 16th 1984 to November 16th 1984 the Notes will carry an Interest Rate of 12.625% per annum. The Coupon amount payable on Notes of U.S.\$10,000 will be \$645.28.

> Aynı Bırık FIRST CHICAGO

BANCO DE CHILE U.S.\$30,000,000

16th May, 1984 ufacturers Hanover Limited Reference Agent

Floating Rate Notes due 1986 In accordance with the prorisions of the Notes, notice is hereby given that the Rate of interest for the next interest Period has been fixed at 12.58 🖰 per annum. The Coupon Amount will be U.S.\$326.15 in respect of U.S.SS.000 denomination and will be payable on 19th November, 1984, against surrender of Coupon No. 7.

INTL. COMPANIES & FINANCE

Fanuc to set up machine tools venture in China

BY ROBERT COTTRELL IN TOKYO

controlled machine tools, plans Motors, the U.S. car maker, to set up a manufacturing facility in China as a 50-50 joint venture with Peking's First Ministry of Machine Building. The plant would be one of China's highest technology foreign investments so far.

Fanue said yesterday that detailed negotiations are only now beginning between the company and China. The factory would probably manufac-ture control motors and computerised numerically-controlled production volumes had yet to he determined while it had not will also manufacture industrial robots, a small but growing

PREMIER GROUP HOLDINGS, the diversified South African

food, beverages and retailing group, is actively looking for opportunities to invest abroad, particularly in the UK.

Mr Peter Wrighton, deputy

Mr Peter Wrighton, deputy managing director, said in London that Premier's preference would be to enter a joint venture, at least initially. "We'd feel most comfortable in a country which speaks English and where the legal system is compatible with what we are used to."

tion, recently completed the issue of a \$50m five-year float-

JAPANESE RESULTS

MITSUI REAL ESTATE DEVELOPMENT Property

248 224 16.18 14.53 8.09 7.27 21.07 20.79

CITIZEN WATCH

FANUC, the Japanese com- area of the company's business. domestic pany which is the world's Fanuc already has a joint vennetwork largest maker of numerically- ture in robotics with General Japanese

Fanue set up a marketing office in Peking last August, also as a joint venture with a Chinese government unit.

Analysts say negotiations on the production facility may result in a contract signing in July this year.

Japanese analysts estimate that Fanuc hold a 40 to 45 per cent share of the world market for numerically-controlled equipment, including 70 per cent of Japan's domestic market. (cnc) machines. The company added that cash investment and production volumes had yet to the current fiscal year to March 1985

A consortium of large Japanese corporations plans to establish a \$435m nationwide

Premier Group looks at the UK

Mr Derek Hunt-Davis, finance

mr Derek Hunt-Davis, mance director, says he attaches greater importance to the issue as a means for he company to establish its name in the international capital market rather than to the direct contribution it will make tothe group's fund-

ing. He expects the proceeds to be converted into rand, to be

used for the expansion of exist-

Premier is seeking to make itself known internationally as

an independent company a year

a consortium of South African institutions led by Johannes-

issue of a \$50m five-year floating institutions led by Johannes Premier is already a major ing rate note—the first burg Consolidated Investment supplier of foodstuffs to black launched in the Eurodollar and Liberty Life Association. Africa but, its direct investment

97 4.53 2.14 34.53 10

bond market by a South African The deal effectively also ment is limited to a relative private sector borrower for brought in the Anglo-American small exposure in Zimbabwe.

MURATA MANUFACTURING

PARENT COMPANY

NIPPON COLUMBIA

Revenues (bn)
Pre-tax profits (bn)
Nat profits (bn)
Nat per share
Dividend
PARENT COMPANY

many years.

ing plant.

Premier, which is South after Associated British Foods

Africa's fourth largest company of the UK agreed to sell its 52 measured by market capitalisa-

network by 1988, if the Japanese Government follows through with planned changes to restrict the monopoly powers of the publicly-owned Nippon Telegraph and Telephone Com-pany, a bill to liberalise domestic telecommunications is due to be made law next April

The new consortium is headed by Kyocera Corporation, Sony Corporation, Ushio, Secom, and Mitsubishi and Company. The other 20 partners include banks, traders and brokerage houses Several other Japanese com panies and groups, including the electronics manufacturer

Fujitsu, have already announced their own plans to develop telecommunications facilities, particularly the "value added networks" (vans) used in data transmission.

mining and industrial group as

share deal, one of the most com-

plex ever carried out in South Africa, was the transfer to Premier of a 34 per cent stake in South African Breweries, the

country's monopoly beer pro-

Besides its ambitions to expand overseas, Premier is also keen to capitalise on what Mr Wrighton calls "a good repu-tation in Africa" by expanding

its core businesses into neigh-bouring states, and is hopeful

that the political climate may be

improving between the Repub-lic and black African states.

ment is limited to a relatively

Feb '84 Feb '83 Y 488 444 23.01 19.6 8.52 8.44 - 69.5 62.7

Amerifin Corporation

has sold its wholly-owned banking subsidiary

NIPPON SHINPAN

American National Corporation

A further dimension to the

a major shareholders.

ducer.

Capital reshape at Great **Eagle**

By David Dodwell in Hong Kong GREAT EAGLE, the troubled Wyllie's Asia Securities, yesterday announced a capital reconstruction intended to eliminate losses.

The company said that the move is intended to wipe out the deficit on its profit and loss account as well as bring the share value into line with

Considerable interest was Considerable interest was accounted by the deal, since Mr. Wyllie previously returned Hutchison Whampon, the trading company, and ESR, the UK electronics company, to profitability after taking cantrol of them. Great Eagle said yesterday that it is unlikely to generate sufficient profits in the immediate future to eliminate

deficit remains.

Tokyo SE study

exchange is to set up a special committee to study the questien of foreign men a controversial issue between Japan and the U.S. Krodo

Hong Kong property com-pany which recently sold hotel interests to Mr Bill

Skareholders are being asked to approve a reduction in the par value of its shares from HKSI to 50 cents, with a consequent reduction in paid up capital from HK\$434m to HK\$217m (US\$27.7m).

the value of its underlying assets. Two weeks ago Great Ragie reported losses for the year to September 1983 of HK\$341.16m, compared with a net profit of HK\$23.4m in

The bulk of these losses—
over HK\$440m — was
attributed to the sale in March
of the Company's 33.4 per cent
stake in Regent Hotels (Holdings), whose main asset was
the Regal Meridien, Hong
Kong airport hotel, Regal
reported debts of HK\$744m
at the end of the year to September 1982. This stake,
which had been held in the
balance sheet as worth aimost
HK\$470m, was sold to Mr
Wylle for less than HK\$96m.
Considerable interest was

its accumulated losses and that dividend payments could not be restored while the

posals will be put to an extra-ordinary shareholders meet-ing on June 2, and, after supreme court confirmation, are likely to become effective

TOKYO-The Tokyo stock

to

May 3, 1984

First Chicago Corporation

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to Amerifin Corporation.

Salomon Brothers Inc

One New York Plaza, New York, New York 10004 Atlanta, Boston, Chicago, Dallas, London (affiliate) Los Angeles, San Francisco, Tokyo (affiliate)

U.S.\$50,000,000

EUROPEAN ASIAN CAPITAL B.V. Guaranteed Floating Rate Notes Due 1992



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Bankers Trust Company, London Agent Bank

crated with limited liability in the Federal Republic of Germany)

For the six months

16th May, 1984 to 16th November, 1984
the Notes will carry an interest rate of

121/4/2 per annum with a Coupon Amount
of U.S.\$64208 per U.S.\$10,000 Note, payable on
16th November, 1984

All of these Securities have been offered outside the United States

U.S. \$150,000,000

Sumitomo Finance (Asia) Limited (Incorporated with limited liability in the Cayman Islands)

Divestiture of

Steel Facilities

As a condition of the proposed merger of The LTV Corporation ("LTV") and Republic Steel

Carbon and high strength low alloy hot and cold rolled steel sheet, hot rolled plates and

Two coke batteries, two blast furnaces, sinter plant, basic oxygen furnace shop, blooming

mill, plate mill, hot strip mill, pickler, tandem mill, two temper mills and a galvanizing line.

Shipped 674,400 tons of steel on sales of \$270.5 million; represents approximately 55%

Six cold reduction mills, three temper mills, annealing and pickling operations, two coil

Shipped 89,500 tons of steel on sales of \$161.4 million; represents approximately 96% of

LTV will offer a long-term stainless steel hot band supply contract to the buyer of Massillon.

Qualified parties which may have an interest in acquiring either or both of these facilities should

Parties will be deemed qualified if they can demonstrate to the United States Department of

The First Boston Corporation

Justice the intent and financial, operational and managerial capability to compete effectively in the manufacture and sale of, in the case of Gadsden, carbon and alloy hot and cold rolled sheet steel and,

Please address written inquiries to:

Attention: Steel Divestiture Project

41st Floor Park Avenue Plaza

New York, New York 10055

Stainless flat rolled steel products; the 3rd or 4th largest domestic producer.

Corporation ("Republic"), LTV and Republic have agreed with the United States Department of Justice

to divest Republic's flat rolled carbon and alloy steel facilities located at Gadsden, Alabama and the

stainless flat rolled steel finishing facilities located at Massillon, Ohio.

of Gadsden's sustainable shipment capability.

buffing lines, and other ancillary facilities.

Massillon's sustainable shipment capability.

contact The First Boston Corporation in writing.

in the case of Massillon, stainless cold rolled sheet steel,

GADSDEN, Alabama

Products;

MASSILLON, Ohio

Products:

galvanized sheet.

• 1983 Operations:

121/2 Guaranteed Notes due 1991

Unconditionally guaranteed as to payment of principal and interest by

The Sumitomo Bank, Limited

(Kabushiki Kaisha Sumitomo Ginko) (incorporated with limited liability in Japan)

Sumitomo Finance International Crédit Commercial de France

Salomon Brothers International Limited **Credit Suisse First Boston Limited**

BankAmerica Investment Banking Group

Bankers Trust International Limited

New Issue / May, 1984

Chase Manhattan Capital Markets Group

Barclays Bank Group

Citicorp Capital Markets Group

Continental Illinois Capital Markets Group County Bank Limited Daiwa Europe Limited

Goldman Sachs International Corp.

Dresdner Bank Aktiengesellschaft Lehman Brothers Kuhn Loeb International, Inc.

Lloyds Bank International Limited

Merrill Lynch Capital Markets

Banque Indosuez

Morgan Guaranty Ltd Morgan Stanley International

Samuel Montagu & Co. Limited Nomura International Limited

Orion Royal Bank Limited J. Henry Schroder Wagg & Co. Limited Société Générale Société Générale de Banque S.A. Standard Chartered Merchant Bank Limited

Swiss Bank Corporation International Limited

S. G. Warburg & Co. Ltd.

IDB INTERNATIONAL N.V.

U.S.\$50,000,000 Guaranteed Floating Rate Notes 1987 Unconditionally and irrevocably guaranteed as to payment of principal and interest by

ISRAEL DISCOUNT BANK LIMITED

For the six months

16th May, 1984 to 16th November, 1984
the Notes will carry an
interest rate of 124 % per sanam.
The relevant interest Payment Date will be
on 16th November, 1984

Bankers Trust Company, Lor Fiscal Agent

Capital

reshape at Great

Michael Thompson-Noel on a top trans-Tasman entrepreneur

Brierley acts to liven up IEL

IN AUSTRALIAN takeover tiles, general warehousing, air-circles, Mr Ron Brierley, chair-man of the Sydney-based Indus-It is also a property develman of the Sydney-based industrial Equity Limited (IEL), a diversified investment group the tentacles of which spread far and wide, is ranked in the same league as Mr Robert Holmes & Court, of Bell Group, Mr John Spalvins (Adelaide Steamship Company), and Mr Alan Bond (Bond Corporation Holdings).

He is calm, courteous, diffi-dent—a 46-year-old bachelor workabolic whose most famous recent foray was a partial bid for Carlton and United Breweries (CUB), Australia's biggest brewer, a move that triggered CUB's eventual takeover by its former subsidary Elders-IXL, and yielded Ron Brierley a very handsome

On the wider stage, Mr Brieriey's New Zealand-based Brierley Investments (BIL), through which he controls IEL, recently merged with Bunting and Company, another invest-ment group. The enlarged group is described by Mr Brier-ley as "just about a perfect fit," and gives the enlarged Brierley Investments a market capitalisation of about NZ\$700m (US\$450m), making it NZ's third biggest company, after Fletcher Challenge and New Zealand Forest Products.

As chairman of IEL-market capitalisation A\$337m (US\$312m), making it Australia's 45th biggest company—and of Brierley Investments, Mr Brierley has his finger in more trans-Tasman pies than any boardroom rival in Australia or New Zealand. A\$337m

unlikely balance sheets.

It is monic, then, that in recent mooths Mr Brierley has had to devote his skills as a company doctor and asset builder to remodelling and revitalising that well-known scourge of inefficient businesses, IEL—for the truth, as he readily admits, is that in recent years, the Australian arm of his extensive empire had not only stuck largely to had not only stuck largely to the slow lane, dabbling in minor industrial situations, but had grown complacent.

The result: under-performing ssets, near-static profits, dwind-

IEL's sprawl of interests includes an investment portfolio that contains major holdings in about 30 listed public companies, including Southern Farmers Holdings, a diversified Adelaide-based farming and food group which is IEL's most important subsidiary.

IEL'S investments also span insurance, construction equipture, brewing, oil and gas exploration, timber, a Scottish paper mill (GB Papers), department stores in Cleveland, Ohio (Highee Company), an Its move on Carlton and terms of our basic philosophy.

Despite the speculative tag that important stake in MLC (the United Breweries early last has been applied to us so often holding company for Australia's December shook the CUB tree Mutual Life and Citizens Assurson building materials, supermarkets and retailing tors.

ration

ration

ration

ors inc

It is also a property developer, and has its own property trust (formerly the Equitable Property Trust).

Property Trust).

At the end of its last financial year to June 30 1983 IEL had gross assets of A\$323m (US\$300m). Yet its performance has been stodgy, with 1982-83's net profit of A\$14.4m failing to grow in line with inflation when compared with the previous year's A\$13.1m, or the A\$11.9m of 1980-81.

In its last annual report, IEL.

In its last annual report, IEL admitted that "in retrospect, there has probably been an excessive emphasis on longterm objectives in the past few

In addition, 1982-83's result was dogged by drought and recession, one or both of which affected virtually all its operating subsidiaries, so that Southern Farmers, for example, of which IEI, owns 55 per cent of which IEL owns 55 per cent, struggled to raise profits by 6 per cent to A\$4.4m. A fundamental philosophy,

said IEL, had always been to build a sound asset base, in the belief that good earnings naturally flow from good assets. But confidence in the quality of its assets had pro-duced "creeping complacency that profits would emerge without effort . . In other words, we failed to apply to ourselves the criteria which we used for investments in other com-

more trans-Tasman pies than any boardroom rival in Australia or New Zealand.

As an entrepreneur and corporate raider, his qualities from that of entrepreneur to that of de facto day-to-day plus the skill of a truffle hunter in rooting out secrets from unlikely balance sheets. its philosophy, his role is reverting to a much more conceptual and entrepreneurial plane. In the view of market-watchers, it is from this level that his recognised strengths in analysis, planning and strategyformation can now be brought sharply to bear.

Revamped

In recent months, IEL's management has been re-vamped, with the debonair Mr vamped, with the debonair Mr
Russell Goward, ex-Hill
Samuel, who joined IEL in
1980, at the tender age of 26,
already installed as deputy
general manager, and due to
become chief executive at the
start of July. Mr Brierley is
continuing as IEL chairman,
but in a non-executive capacity, while Mr Bill Loewenthal,
currently general manager, will currently general manager, will propel IEL into these areas. become a non-executive direc-tor after July 1.

manner in the marketplace, that — you could say we've where it has been a mover and missed the bus on resources, a shaker, par excellence. Its move on Carlton and

supermarkets and retailing, tex- acquired to Mr John Elliott's



Elders IXL at a gross profit of about A\$11m, producing a net profit, on the raid, of A\$5m, which will be reflected in IEL's second-half figures.

In a related move, IEL won control of Cascade Brewery in Hobart, of which it has 51 per cent, bought for about A\$20m. "It's a relatively small com-pany with some fairly clear attractions," says the IEL chief.

ttractions," says the IEL chief. dustries are equal to those of As a result of its shake-up, any country in the world— IEL now appears to be performing far less sluggishly. In the six months to December 31, net profit grew to A\$8.2m (up 64.4 per cent). which is why BIL has invested so heavily in this area, not only in Whitcoulls, but in NZ News, Williamson Jeffrey, Andas Group and Morrison-PIM Hold-

To celebrate, IEL raised its interim dividend 25 per cent to 5 cents a share, and can expect very good things in the second half, given the gain from its biggest investment groups, with CUB share dealings, and better returns at virtually all its sub-range of NZ commerce and insidiaries and associates, includ-ing Southern Farmers.

In the view of one takeover expert: "IEL is an excellent team which has been the catalyst for several major reconstructions in Australian business, including the ANZ Bank's acquisition of Develop-Bank's acquisition of Development Finance Corporation, and Elders' takeover of CUB. It is quite clear that IEL is going to be the catalyst for even larger takeovers."

"just suddenly clicked as being the right deal for the right time," says Mr Brierley, with building supplies and manufacturing, retailing and tourism seen as the larger takeovers."

As a tactician, IEL is often fically boost BIL. highly innovative, Mr Brierley's investment philosophy and technique being reminiscent of that of Mr Robert Holmes à Court or of Ariadne. at Bell Group.

However, unlike the Bell siastic about the Australia-New Group chief, who in the past Zealand Closer Economic Relayear has launched a spectacular foray into the Australian mining and resource sectors, with major investments in oil, gas and coal Like any normal healthy (mainly via Bell Resources), Kiwi, Mr Brierley is a sports Mr Brierley has done little to fanatic (especially cricket). He

He does not quibble. "If you wanted to be critical of certain aspects of our development—and there's pienty of come for In the past year, IEL has also aspects of our development—adopted a much more aggressive and there's plenty of scope for which is understandable in terms of our basic philosophy.

" If you're an assets investor, IEL.

ment is striving to find incentives to attract the foreign investment capital needed to stimulate the country's small and embattled Swaziland is not attracting Clearly, that would not be con-

THE SWAZILAND Govern-

its fair share of the foreign sistent with investing in blue sky operations, which were the investment earmarked for the region, because of more forerunner of so-called 'reenticing investment allowsources.' Resources covers an awfully large area. Nine out of ances offered by its economic-10 companies in the resource area haven't yet found any re-sources, and a lot never will." ally powerful neighbour, South Africa, Mr Derek von Wissel, the Commerce and Brierley Investments, IEL's parent, which made net profits of NZ\$25.4m (U.S.\$16.4m) in 1982.83, owned shares in listed Industry Minister, said at the opening of the Langa national brickworks, east of th capital, Manzini, last week, 1982-83, owned shares in listed public companies at last June 30 valued at NZ\$209m. The nucleus of BIL's growth over the past decade has been its "irreplaceable network of strategic holdings" in a broad cross-section of NZ enterprises, while its 1982-83 bighlight was its takeover of Whitcoulls Group, now a wholly-owned subsidiary. The problem, as the

Swazis are well aware, is that their own efforts to persuade foreigners to participate financially in resource-based industries have been outstripped by the incentives offered by the South African Government under its policy of decentralisation of of decentralisation of industry. This policy is designed to promote industrial development of the border areas around the so-

Whitcoulls is really five

separate businesses: printing, packaging, bookselling, publish-ing and stationery. It has 53 retail stores, seven printing

works and seven packaging fac-

Mr Brierley says the skills of the NZ printing and paper in-

The merger with Bunting, a one-time brushware firm, has produced one of Australasia's

dustry, and also gives the ex-panded BIL a 9.8 per cent in-terest in Ariadne Australia, a Brisbane-based investment and

Bunting was run by former

areas where Bunting will speci-

Mr Brierley is highly enthu-

tions (CER) trade pact, despite current difficulties between Can-

materialise; but it is proving most elusive."

When his ingenuity at the chess board fails him, he can always return to the mathe-

matical joys of conjuring more growth out of Brierley Invest-ments and from former dull boy

berra and Wellington.

winning chess

technology concern.

NZ skills

foreign investors BY CHRIS WILSON, RECENTLY IN MANZINI independent black and Transkei. South Swana Africa offers generous tax allowances to industrialists and the incentive packages are further sweetened by

> Swaziland knows it cannot match the South African incentives, but Mr Von Wissel says his Government is searching for "creative alternatives." With this in mind, the Swazis are examining the feasibility of cutting company taxes to improve the returns available to foreign investors. Swaziland has a top corporate tax rate of 37 per cent, well below the 50 per cent, wen below the 50 per cent top in South Africa, and Mr Von Wissel says the authorities are looking to reduce corpor-

cash rebates on wage bills, staff training allowances and other similar measures.

ate taxes by a further 5 per

ment's economic priorities are to reduce unemployment and rebuild the country's infrastructure, which has become ragged after two years of severe drought and recent

Adding to Swaziland's diffi-culties is the problem the economy has in supporting its growing population. Mr Von Wissel pointed out that the population of roughly 850,000 is growing at the rate of 3.4 per cent per annum, while growth of only 2.1 per cent is forecast in the gross domes-tic product over the next five tic product over the next five

Amid the general economic gloom, the establishment of the Langa national brick-works has been welcomed by

the Swaziland authorities. With substantial financial and With substantial financial and technical assistance from British companies and institutions, the Ellm (78.5m) brick factory will produce 50m bricks a year, rising to an eventual capacity of 65m, Langa is 51 per cent-owned by Tibiyo Taka Ngwane, a conglomerate which way set

conglomerate which was set up by Swazi Royal Charter in 1968, and which now dominates the country's agricultural and industrial development.

development.

London Brick has 2
17.5 per cent sharcholding in Langa and also provided much of the technology used in the factory. Other sharcholders include the Commonwealth Development Corporation (12.5 per cent) and the German Development Corporation (7 per cent).

The new brickworks will provide Swaziland with 2.8 per cent of its total export earnings and 30 per cent of extractive exports. Export earnings are dominated by sugar, and the heavy dependence on this single product has been a source of concern

has been a source of concern to the Swaziland Government for some time.

All of these securities have been sold. This announcement appears as a matter of record only.

Swaziland pursues

May, 1984

DH Technology, Inc.

1,350,000 Shares

Common Stock

L. F. ROTHSCHILD, UNTERBERG, TOWBIN

BATEMAN EICHLER, HILL RICHARDS

BEAR, STEARNS & CO. BLYTH EASTMAN PAINE WEBBER

DREXEL BURNHAM LAMBERT

E. F. HUTTON & COMPANY INC.

LEHMAN BROTHERS KUHN LOEB SHEARSON/AMERICAN EXPRESS INC.

WERTHEIM & CO., INC. ALLEN & COMPANY

OPPENHEIMER & CO., INC.

fanatic (especially cricket). He is also the owner of an exten-THOMSON MCKINNON SECURITIES INC. ABD SECURITIES CORPORATION

WOOD GUNDY CORP.

KLEINWORT, BENSON SANYO SECURITIES AMERICA INC.

THE FIRST BOSTON CORPORATION A. G. BECKER PARIBAS DILLON, READ & CO. INC. DONALDSON, LUFKIN & JENRETTE

GOLDMAN, SACHS & CO.

KIDDER, PEABODY & CO. LAZARD FRERES & CO. PRUDENTIAL-BACHE SALOMON BROTHERS INC

SMITH BARNEY, HARRIS UPHAM & CO. DEAN WITTER REYNOLDS INC. MONTGOMERY SECURITIES

F. EBERSTADT & CO., INC.

PIPER, JAFFRAY & HOPWOOD

A. G. EDWARDS & SONS, INC. ROTHSCHILD INC.

HAMBRECHT & QUIST

TUCKER, ANTHONY & R. L. DAY, INC.

ROBERT FLEMING

NOMURA SECURITIES INTERNATIONAL, INC. SWISS BANK CORPORATION INTERNATIONAL

YAMAICHI INTERNATIONAL (AMERICA), INC.

This announcement appears as a matter of record only

Concordia Maritime AB

Through Tankers Finance Ltd

US\$ 30,000,000

Medium term loan

Three stainless steel chemical tankers One tanker 22,000 dwt One tanker 132,000 dwt One VLCC tanker 270,000 dwt Guaranteed by

Rederi AB Concordia Agent and lead manager Svenska Handelsbanken Gothenburg

Bank of America NT & SA

Manufacturers Hanover **Trust Company**



NOVA



NOVA is a major Canadian energy company operating through five business sectors: Gas Transportation & Marketing, Petroleum, Manufacturing, and Consulting & Research

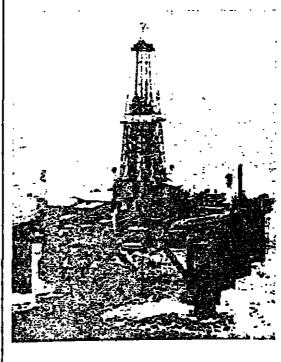
depressed energy markets worldwide. Assets at year-

slightly above the 1982 level. Funds from operations were Large amounts of new The 1983 consolidated financial results of the Company remained strong, despite

capital have been invested over the past decade, and

enue was \$3.8 billion and income before extraordinary

items was \$150.7 million



A part of NOVA's consol dated capital program in 1983 was implemented by Husky Oil Ltd. (68% owned), a fully integrated petroleum company. Expenditures are being concentrated in three of Canada's major

where Husky has highly prospective land positions in the oil-prone Grand Banks off Newfoundland

Saskatchewan, where

enhanced oil recover

selective acquisition of high quality acreage and aggressive exploration has

added to Husky's reserve

NOVA is a public trading on the Toronto. Montreal and Alberta stock 1983 annual report are ailable from the investor relations manager at the or from the Company's Paying Agent: Bank of Montreal, 9 Queen Victoria

NOVA. AN ALBERTA CORPORATION

PO. Box 2535, Postal Station M. Calgary, Alberta, Canada 72P 2N6

Report for the Year Ended December 31, 1983

(audited)	As at Dec	cember 31
	1983	19821
	(thousands of C	anadian dallars)
Assets:		
Current assets	\$1,090,627	\$1,205,963
Investments and advances	94,528	113,205
Plant, property and equipment (net)	5.541.801	4,870,523
Deferred costs .	10.575	134,528
Current assets (nvestments and advances (nvestments and advances (plant, properly and equipment (net) Deterred costs Other assets abilities: Current liabilities Long term debt Deferred income taxes Minority interest in subsidiary companies	58.525	8 804
	\$6,796,056	\$6,333,029
Liabilities:		
Current liabilities	\$1,031,354	\$1,189,901
Long term debt	3,404,578	2,740,612
Deferred income taxes	434.729	388,632
Minority interest in subsidiary companies	485,075	495,383
Shareholders' equity:		
Preferred	800.907	626,122
Common	639,413	€92.479
	s6,796,056	56,333,029

(audited)	For the ye Decent	ear ended iber 31
	1983	19821
	(thousands of C	anadian dollars)
Operating revenue	\$3.823.005	\$3,500,066
Net operating income Equity in earnings (losses) of affiliated companies Allowance for funds used during development	\$ 544,063 (8,605)	\$ 511,699 5,038
and construction	50,168	85,928
Other expenses	(1,434)	(3,108)
Interest (net)	<u>(317,031</u>)	(348,376)
Income before income taxes, minority interest and extraordinary items	267,161	251,181
Income taxes	(78.080)	(85,221)
Minority interest	(38.348)	(35.436)
Income before extraordinary items	150,733	150,524
Extraordinary items ²	<u>(115,605</u>)	
Net income	\$_35,128	\$ 150,524
Earnings (loss) per common share Before extraordinary items		
Basic	<u>\$</u> 0.60	\$ 0.80
Fully diluted	\$ 0.58	\$ 0.74
After extraordinary items	——— —	
Basic	<u>s (0.38</u>)	<u>\$ 0.80</u>
Fully diluted	\$ (0.38)	\$ 0.74

In 1983, the Company recorded an accounting write-down of certain deferred costs and nents and incurred losses on the disposition of certain manufacturing facilities.

Sears surges to £159m and steps up dividend

ment in turnover and profits in
At a press conference later,
the year ended January 31 1984,
reports the chairman Mr Leonard
Saiver. Turnover rose by 15.6
per cent from £1.6bn to £1.85bn
and profit before tax advanced
by 40 per cent, from £113.5m
to £155.1m.

perty sector.
At a press conference later,
the current year
increasing over the year from
39 to 120. Changing weather conditions had upset the form book
the last four to five weeks. The
slow start was a result of the
bad weather and late Easter.
The pick-up since then had
comparish the better weather

243 a year ago, after the closure

Trading profits before associates and interest charges were up from £113.2m to £154.6m. Footwear showe da 31 per cent improvement to £84.4m; with the turnround in the U.S. economy, Butler Shoe's contribution rose from £5.5m to £12.7m. Department stores, jewellery and other retailing, including the fashion businesses, moved ahead 48 per cent to £36.2m.

Mr Sainer says profits from motor vehicle sales and service were up 40 per cent, but the vehicle delivery side faced severe competition which resulted in competition which resulted in overall divisional profits falling from £8.1m to £7.4m. Licensed betting offices (William Hill) achieved a 75 per cent surge to a highest ever £11m. The property division spurted 62 per cent to £14.3m; house-building, with sales of 750 homes, produced half of the division's profit. The modest contribution

profit. The modest contribution from engineering was maintained

Earnings per share were up from 4.5p to 7.1p, excluding ex-traordinary debit in 1982-83, and the final dividend is 1.8p for a net total of 2.5p, compared with the equivalent 1.87p adjusting for the 1-for-2 scrip issue.

After tax £62.7m (£45.7m),
minorities £600,000 (same), and
preference dividends £200,000
(same), the net profit attribu}

(same), the net profit attribulable to the ordinary shareholders was £95.6m (£64m). The dividend costs £33.6m (£25.1m).

Famous High Street names in the group's retail interests are Saxone. Lilley and Skinner. True

come with the better weather.
He said an announcement will
be made either this week or
next confirming that Sears will shortly get a quote on the New York Stock Exchange in the form

of ADRs.
The chairman also disclosed that the group had just clinched a deal in the U.S. for \$21m (£15.1m) to acquire a total of 115 shoe stores from National Shoe. The units were mainly in the Eastern states and they would be integrated with Butler Shoe. The group, said Mr Sainer, was looking for further expansion deals in America.

At the year end the group's net cash position was £160m, compared with £110m a year earlier. Net assets per share were 68p.

Budget tax changes will take

Budget tax changes will take £1.8m off the corporation tax bill this year, and the abolition of National Insurance surcharge benefits the group by £600,000 in the current year and £1.8m in 1985-86. Deferred tax adjustments are not considered necessary.

necessary.

Reviewing the divisions Mr
Geoffrey Maitland Smith, the
chief executive, said in footwear
retailing imports represented
55 per cent of the sales of British
Shoe Corporation over the past
year, "own make" made up
17 per cent and other UK manufactures sumplied 28 per cent-

Saxone, Lilley and Skinner, True
Form, Freeman Hardy and Willis, Selfridges, Robinson and
Cleaver, Mappin and Webb, and
Garrard. Shaw and Kilburn
(Vauxhall dealer) and Silcock

The stores division increased
its trading profit by 30 per cent
to £19.4m, the fashion side rose
68 per cent to £9.1m, jewellery
soared 175 per cent to £1.1m, and
other retailing operations showed
an advance of 74 per cent to

ALL THE major divisions of the among the motor interests, and Sears Holdings group showed a Galliford Estates is in the promote satisfactory improve perty sector.

The blg jump in profits from the William Hill chain was achieved despite the number of

843 a year ago, after the closure of a number of smaller less profitable outlets. The group had also cut back

the numbers employed by 700 and was making more use of part New car sales by the group showed a growth of 28.3 per cent against a national average of 15.3 per cent, and commercial vehicles were up 17.8 per cent, compared with 15.9 per cent.

comment

After making such a strong start to the year, aided in all sorts of ways by a freakish 1983 summer which managed to combine sun and rain in proportions which might almost have suggested the idea of grouping a chain of betting shops with a a chain of betting shops with a retail shoe business, Sears was able to ride the consumer boom very comfortably through Christmas, A 40 per cent rise in pre-tax profits was about par for last year's course. With net cash in the year and balance sheet of £160m, there is bound to be some expectation of more than piecemeal acquisition plans; yesterday's \$21m pur-chase of a U.S. shoe chain does not do much to determine where the group is headed. Financial supermarketing is probably a red-herring, but further expansion into U.S. retailing, probably including a further chain of cut-price shoe stores clearing stock surpluses through down-town locations, shows a degree of imagination. The decision to sponsor ADRs further emphasises Sears' west-ward inclinations, but it is hard

to see the shares outperforming for a while even with an expanded audience. At 891p, up 21p, they yield 4 per cent.

Cosalt cuts loss halfway and pays interim

LARGELY reflecting lower Interest charges, Cosalt reduced interim taxable losses from £220,000 to £135,000 on turnover down £1.03m at £17.57m for the six months to February 28 1984. The directors say that progress to develop Cosalt continues and borrowings are falling. Interest charges for the

period were cut from £478,000 to £417,000. The ships' chandlery division continues to perform well in all areas, despite the seasonally low level of activity in the offshore oil industry.

In the caravan division, in

In the caravan division, in spite of the introduction of new machinery and management changes, Cosalt Caravans has not yet produced the results the company would have wished. This is common in much of the industry and stems from a continuing weak market for new caravans, the directors point out. caravans, the directors point out. New products and activities in Cosalt Holiday Homes should begin to show results later.

begin to show results later.

Trading in the refrigeration and air conditioning operation and the finance and aviation division was dull but Cosait is hopeful that a number of contracts under negotiation will be secured and will produce a higher level of profitability in the current year.

As a sign of their long-term confidence, the directors have declared an interim dividend of 0.25p (nil) per 25p ordinary. Last year a single final payment of 0.25p was made on taxable profits of £58,838.

The loss per share is shown

The loss per share is shown as 1.89p (2.75p).

Yearlings

The interest rate for this week's issue of local authority bonds is 10½ per cent, unchanged from last week and compares with 10½ per cent a year ago. The bonds are issued at par and are redeemable on May 22 1985.

A full list of issues will be published in tomarrow's edition.

Minimum £708m value on Reuters

Lex looks at the merger talks between Thorn EMI and British Aerospace and considers what sort of business would evolve from this bizarre proposal. The column then moves on to comment on the Renters' prospectus which details the issue of 27 per cent of the equity that is being sold by existing holders to value the company at £720m. Elsewhere the half-time figures from Grand Metropolitan proved to be in line with City estimates at £147m pre-tax, against £113.6m, and Sears has reported full-year profits of £159m pre-tax.

BY ALISON HOGAN

THE DIRECTORS of Reuters Holdings and their financial advisers S. G. Warburg and N. M. Rothschild have agreed to offer for sale 57m B shares at an underwritten minimum tender price of 180p per share for quotation in the London Stock

This gives a prospective p/e of 17.5 on forecast pre-tax profits of £70m for 1984.

of From for 1984.

At the same time, arrangements are being made with a group of U.S. underwriters represented by Merrill Lynch Capital Markets and Morgan Stanley to sell the equivalent of a further 49.8m B shares in the U.S., in the form of American Depositary Charge ADSs which the U.S., in the form of American Depositary Shares, ADSs which will be quoted on NASDAQ, the National Association of Securities Dealers Automated

Quotations System.

The procedure of a U.S. offering involves the publication of a preliminary prospectus called a "red herring" which gives an indication of the anticipated initial fixed public offering prices. offering price.

offering price.

A range for Reuters is given between the U.S. dollar equivalent of 200p and 235p per B share. At these prices, the shares would sell on prospective p/es of 19.4 and 22.8.

Reuters' U.S. financial advisers then market the shares to potential investors. If at any to potential investors. If at any time before Spm London time on Thursday May 31, a change to the anticipated public offering price range is announced in the U.S., reflecting the level of investor interest, details will be announced in the Financial Times or another leading London daily appropriate the programment of the programment o to potential investors. If at any

daily newspaper. The announce-

HIGHLIGHTS

UK investors need not, therefore, make a decision as to what
level to tender for shares, until
there has been some feedback
on the level of U.S. interest in
black of 1.52 per cent at 235p per
share.

Paul Julius Reuter started the
business in 1851, using carrier

ment could include an indication of the expected maximum striking price.

Applications lists then open for UK investors at 5 pm on Friday June 1, 1984 and may be closed at any time thereafter. Postal applications received by price and basis of allocation will be treated as valid. The striking price and basis of allocation will be announced and dealings begin on Monday June 4.

The final decision as to the number of B shares to be sold in the UK and the U.S. will be made at the same time as the decision on the UK striking price and U.S. offering price, based on demand. The U.S. offering price which is fixed, will be "as nearly as practicable the equivalent in U.S. dollars" of the UK striking price.

UK investors need not, therefore, make a decision as to what level to tender for shares, until there has been some feedback

business in 1851, using carrier pigeons to deliver stock prices from Brussels to Aachen, and Investors applying for small from Brussels to Aachen, and amounts of shares, between £200 began telegraphic transmission and £1,000 in multiples of £100 of stock market quotations

between London and Parls via the new Dover-Calias cable. Today Reuters says that it offers the "world's financial and business communities and news media the widest range of real time information available from any single commercial source."

It collects financial news and data and transmits its instantaneously through video terminals and teleprinters to financial institutions. Industry, government and the media around the world.

Pre-tax profits rose from £38.73m to £55.25m in 1983 on turnover up from £179.91m to

Reuters sees an increasing part of its business to be the provi-sion of additional services and products for use in conjunction with the information that it sup-plies. In 1983 such products and services generated around film

of revenue, 5 per cent of Reuters total revenue. The issue will raise £46m for the company at the minimum tender price which will be used tenger price which will be used to expand operations with the balance for existing shareholders. Reuters is particularly keen to strengthen its presence in the U.S. either through the acquisition of assets or investments in other companies

ments in other companies.

Reuters has four main strands
to its strategy for future development: to expand its data bases, to maintain an efficient world wide communications network, to increase the communications and transaction facilities offered to subscribers and to expand products to assist with data manipulation.

Brokers to the issue are Cazenove and Hoare Govett.

COMPANY NEWS IN BRIEF

As part of the corporate and financial reorganisation which is being affected through the recently announced demerger of its main North American interests, Bowater Corporation says it is proposing to repay the outstanding 31 per cent first debenture stock and 7 per cent unsecured loan stock 1992-97 on the following basis:

For every \$1.00 nominal of 32 compared with £831,484 after tax, £511,356 (£549,927). Earnings per share are estimated at \$2511,356 (£549,927). Earnings per

per cent first debenture stock— £101.50 in cash; for every £100 nominal of 7 per cent unsecured loan stock 1992-97—£100 in cash.

Net asset value per £1 Dual-vest capital share increased from 786p to £10.86 at the year from 786p to £10.86 at the year ended March 31, 1984.
Revenue for the period amounted to £1.14m, compared with £1.09m, subject to tax down slightly at £372,000 (£378,000). Earnings per 50p income share are given as 8.478p (7.881p) and the dividend is increased to 8.478p (7.881p) with a final of 4.367p.

* *

As at March 31 1984 net asset value per Murray Clydesdale In-vestment Trust 25p share was 104.4p, compared with 97.5p six

the following basis:

For every £100 nominal of 3:

Taxable profit at Woodchester Investments expanded from a restated LE381.579 (£305,263) to 1E528,914 in the year to March 3:1 1984. This Dublin-based office equipment and leasing group cominal of 7 per cent unsecured cominal of 7 per cent unsecured.

only the second Irish company to do so. The second interim dividend of 3p paid last January made a total of 5p.

Gross revenue rose by 1£659,701 to I£1.88m. The result is stated before the finance cost of preference shares which fell sharply from I£109,000 to I£28,105.

The earnings per share of 16.7p (15.6p) have been calculated after tax of 1£40,345 (nil) but before an extraordinary credit 1£72,500. The company retained 1£387,242 (1£208,615). The result exceeded the profit forecast made in the prospectus and the directors anticipate further growth in the current

its offer for sale of 4m shares of common stock of no par value at 80p each.

equity of the U.S.-based oil and gas company.

Pre-tax revenue of London and Lennex Investment Trust for the year to March 31 1984 rose from £629,000 to £749,000 and the dividentd total is being held at 2p with a final payment of 1.4p

£833,000 to £961,000, while the net asset value per 10p share increased sharply from 86p to

The application lists have closed and the basis of acceptance will be announced in due course. The offered share represent about 40 per cent of the \$2470,000.

DIVIDENDS ANNOUNCED

	Current ayment		Corre- ponding div.	for year	Total last year
ngio American Coal¶	95	July 6	95	145	145
hesterfield Props	5.5	July 10	4.75	9.25	8.25
osaltint		Sept 6	NII	_	0,35
randMetint	3.7	Oct 1	3.23		8.02*
mos Hinton	5.6	July 17	5.6	8 .	8
tra Rubber	0.62	June 14	0.5	0.62	0.5
alter Runciman	2.5 `	• —	2.5 ⁻	5	5 .
ears Hoidings	1.8	-	1.4	2.5	1.87*
eccombe Marshall	14	July 2	13	20	19

GRAND METROPOLITAN

INTERIM REPORT 1984

The group's trading profit for the first half of the current year was £199.1 million compared with £17L4 million for the corresponding period of

In the United Kingdom, the increased trading profit earned by Brewing reflected the continuing drive of recent years for greater efficiency, and the results of Consumer Services began to show the benefit of the reorganisation of the group's retailing activities a year ago. Foods, however, suffered a further setback, arising in the main from intense pressure on selling prices for cheese and other manufactured

Almost every operating company in the United States increased its trading profit and the results of Consumer Products benefited on translation into sterling from the effect of the fall of some 8% in the average value of sterling against the US dollar compared with the first half of last year. In the International sector, the weakness of sterling against the US dollar also contributed to the significant advance in trading profit achieved by Wines and Spirits; and Hotels started to make headway after the organisational changes of the last

The reduction in interest charges compared with the first half of the previous year was attributable to generally lower rates of interest.

Growth in the less seasonal overseas activities of the group continues to reduce the imbalance between the two halves of the year. Accordingly, the increase in profit before tax from £113.6 million to £147.0 million should be regarded as a reflection of satisfactory performance in the first half and not as an indication of a rate of growth to be expected for the remainder of the year.

GrandMet USA, Inc's negotiations with management and outside investors for the sale of the Liggett & Myers cigarette business are continuing.

The Board has decided to pay an interim dividend for the year ending 30th September, 1984 of 3.7p per share (1983–3.23p adjusted for the subsequent one for five capitalisation issue) on 1st October, 1984 to shareholders on the register on 24th August, 1984. The cost of the interim dividend will be £26.9 million (1983 - £23.3 million).

Half wase to 31st March

SG Grinstead Chairman

15th May, 1984

		Half year to 31st March (unaudited) 3		
_	1981	1983	1983	
Turnover	£m	· £m	£m	
United Kingdom				
Brewing	317.6	291.7	651.4	
Consumer Services	550.8	496.9	1,054.5	
Foods	352.8	330.0	737.4	
United States				
Consumer Products	571.9	377.7	864.4	
International				
Hotels	153.4	134.1	301.4	
Wines and Spirits	492.4	462.0	85 9 .7	
·	2,438.9	2.092.4	4,468.8	
Trading profit				
United Kingdom				
Brewing	30.2	26.9	73.0	
Consumer Services	32.0	28.4	73.6	
Foods	8.7	15.5	31.5	
Oil and Gas	-	(1.5)	(1.3)	
United States		(20)	(445)	
Consumer Products	60.4	43.7	98.4	
International			20.2	
Hotels	8.7	6.4	27.3	
Wines and Spirits	59.1	52.0	104.5	
•	199.1	171.4	407.0	
Interest	(52.1)	(57.8)	(111.8)	
Profit on ordinary activities before taxation Taxation	147.0	113.6	295.2	
Idadon	(48.5)	(34.1)	(89.6)	
Profit on ordinary activities after taxation	98.5	79.5	205.6	
Minority shareholders' interests	(2.6)	(2.2)	(4.5)	
Preference dividends	(0.2)	(0.2)	(0.5)	
Profit attributable to ordinary shareholders	<u>.</u>			
before extraordinary items	95.7	77.1	200.6	
Earnings per share	13.0 ₀	10.7р	27.80	

NOTES
1 Profits and losses of overseas subsidiaries are translated into sterling at weighted average rates of exchange.
2 The charge for traction is estimated on the basis that the rate of UK corporation tax will be 47.5% (1983–52%) and includes overseas traction of £27.2 million (1983–£21.2 million).

The proposed revisions to the rates of UK corporation tax and texation allowances on capital expenditure will not give rise to any charge for deferred traction in respect of the current year, nor should they call for a provision of a material amount to be made in respect of prior years.
3 It is estimated that the net effect of extraordinary items for the half year to 31st March, 1984 will be a credit of £10.7 million (1983–a credit of £4.5 million).

Currency translation differences other than those arising on the settlement of trading transactions, previously treated as extraordinary items, are now to be taken direct to reserves in accordance with Statement of Standard, Accounting Practice No. 20.

4 Earnings per share have been adjusted to take account of the capitalisation issue of one ordinary share for every five shares hald at the close of 5 The figures for the year to 30th September, 1983 have been extracted from accounts which have been filed with the Registrar of Companies and

Grand Metropolitan PLC, 11/12 Hanover Square, London W1A 1DP

Our long-running performance of good results enters its 18th year. No mean achievement. But there's always room for improvement. We've thrived on the challenges of new markets, new technologies and new goals. The discipline of cost effectiveness balanced against idealism.

And we'll continue to be our own



severest critic.

For BTR's 1983 Report and Accounts write or phone BTR plc, Silvertown House, Vincent Square, London SW1P 2PL 01-834 3848.

This Offer for Sale includes particulars given to comply with the regulations of the Council of The Stock Exchange for the purpose of giving information with regard to Reuters Holdings PLC ("Reuters Holdings" or the "Company"). The Directors of the Company have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material responsibility accordingtions of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingty.

Application has been made to the Council of The Stock Exchange for the Biodrinary (Limited Voting) Shares of the Company (the "Bishares"), issued and now being issued or othered, to be admitted to the Othical List.

Copies of this Offer for Sale, together with the documents specified herein, have been delivered to the Registrar of Companies for registration.

This Offer for Sale is made on the basis of English law, by which all contracts resulting from applications hereunder shall be governed. No person receiving in any territory outside the United Kingdom a copy of this Offer for Sale and/or an Application Form may treat the same as constituting an invitation to him nor should be in any event use such Application Form unless in the relevant territory such an invitation could lawfully be made to him without compliance with any unfulfilled registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application because of the relevant territory in connection the rewith, including the obtaining of any overnmental or other registration of the relevant territory in connection the rewith.

Reuters Holdings PLC

Offer for Sale by Tender

S.G.Warburg & Co.Ltd. and N.M.Rothschild & Sons Limited

of 57,000,000 B Ordinary (Limited Voting) Shares of 10p each (or such other number as may be determined as mentioned herein) at a Minimum Tender Price of 180p per share.

S. G. Warburg & Co. Ltd. and N. M. Rothschild & Sons Limited have arranged the underwriting of this Offer for Sale in respect of 57,000,000 B Shares. The underwriters include:—

Lazard Brothers & Co., Limited **Nomura International Limited**

Potter Partners

Robert Fleming & Co. Limited

Swiss Bank Corporation International Limited

Arrangements for a simultaneous offering in the United States are being made by:—

Merrili Lynch Capital Markets

Morgan Stanley & Co. Incorporated

The B Shares now offered for sale will rank in full for all dividends declared or paid hereafter on the B Shares.

Applications must be received by 5 p.m. on Friday, 1st June, 1984 (being the time of the opening of the Application List) except that applications despatched by post and received not later than 10 a.m. on Saturday, 2nd June, 1984 will be treated as valid. The procedure for application, together with an Application Form, is set out at the end of this Offer for Sale. Persons tendering not more than £1,000 may apply at the Striking Price.

Directors, Reuter Trustees and advisers

Sir (Charles) Denis Hamilton oso (Chairman) Glen McGarvie Renfrew (Managing

Director and Chief Executive) (Australia which ael Edward Neison (Deputy Managing Director) Nigel Leopold Judah FCA (Finance Director)

Donald Bivine Anderson Peter Watter Gibbings Petr Gustal Gvilenhammar (Sweden) Christopher Anthony Hogg lan Alexander Nobie Irvine FCA Kerth Rupert Murdoch (Australia) Maxwell Victor Suich (Australia) Ernest James Lyle Turnbull (Australia) Richard John Winfrey Walter Bigelow Wriston (U.S.A.) all of 85 Fice! Street, London EC4P 4AJ

Secretary and Registered Office Nigel Leopold Judah FCA. London EC4P 4AJ

Reuter Trustees Kingman Brewster (U.S.A.) Stanley George Gumey Clarke OBE Claude Neville David Cole CBE The Right Hon. John Freeman PC, MBE The Right Hon. Lord Hartwell MBE John Gordon Seymour Linacre CEE Sir (Duncan) Keith Macpherson

The Right Hon. Lord McGregor of Durris The Right Hon, the Lord Matthews Kenneth Morgan 09E The Right Hon the Viscount Rothermera Raymond Francis Smith (New Zealand) Ciwe Edward Ian Thomion CBE John Sackheld Wallwork CBE

Issuing Houses 5. G. Warburg & Co. Lld., 30 Gresham Street. London EC2P 2EB

N M Rothschild & Sons Limited New Court. St. Switten's Lane London EC4P 4DU

Stockbrokers Cazenove & Co.. London EC2R 7AN Hoare Govett Limited,

319/325-High Holborn, London WC1V 7PB Solicitors to the Com Linklaters & Paines. Barrington House,

59-67 Gresham Street London EC2V 7JA Walker Martineau, 10 and 11 Gray's Inn Square. London WC1R 5JL

Solicitors to the Offer for Sale Slaughter and May, 35 Basinghall Street, London EC2V 5DB

Auditors and Reporting Accountants Binder Hamtyn, Chartered Accountants, 8 St. Bride Street, London EC4A 4DA

Bankers Bank of Scotland, 38 Threadneedle Street, London EC2P 2EH

Receiving Bankers New Issues Department 38 Threadneedle Street. Landon EC2P 2EH Barclays Bank PLC, New Issues Department, P.O Box 123. Fleetway House, 25 Farringdon Street, London EC4A 4HD

Registrars and Transfer Office Bank of Scotland. Registrar Department, Edinburgh EH1 3EY

Summary

The information set out in this summary should be read in conjunction with the full text of this Offer for Sale.

Business

Reuters believes that it offers the world's financial and business communities and news media the widest range of real time information available from any single commercial source.

Over 600 Reuter staff journalists gather general news and financial and business news throughout the world. Reuters receives and processes current trading information from the world's major securities and commodities exchanges. It also receives the latest quotations contributed by dealers in markets without trading exchanges, such as those for foreign exchange and money market instruments.

Financial information and news are instantaneously made available through Reuter video terminals and via teleprinters to banks, securities and commodities firms, other financial institutions, industry, government and the media. A dealing service provides dealers in foreign exchange and bullion with an electronic network for fast direct

Reuters offers its subscribers interface devices and data manipulation systems so that they can retrieve data from various sources and in various formats and further manipulate the data to enhance its usefulness. Reuters has over 15,000 subscribers using approximately 32,500 Reuter video terminals and approximately 6,500 teleprinters. It distributes financial and business information services in 112 countries and media news services in 158 countries.

Trading record

ear ended 31st Decemb <u>er</u>	Turnover	Profit before tax
	£.000	£'000
1979	76,309	3,515
1980	90,095	3,687
1981	138,804	16,681
1982	179,913	36,730
1983	242,630	55,253

Forecast for the year ending 31st December, 1984

Profit before tax (in the region of)⁽¹⁾ £70 million Earnings per share (2) £40 million

Offer for Sale statistics at the Minimum Tender Price of 180p per share

(1) Profit before tax for the year ending 31st December, 1984 is forecast, and earnings are calculated, on the bases and assumptions referred to under "Profit forecast for 1984".

(2) Earnings per share have been calculated on the basis of a pro forms weighted average number of shares outstanding during 1984 of 388,509,982 referred to under "Profit forecast for 1984".

(3) The gross dividend includes the related tax credit equivalent to ¾ of the net dividend. See "Taxation",

Share capital

Authorised		Issued and fully paid (see note)
3		3
10,500,000	in A Ordinary Shares of 10p each	10,005,168
42,000,000	in B Ordinary (Limited Voting) Shares of	
	10p each	29,340,419
1	in one Founders Share of £1	1
52,500,001		39,345,588

Note: The issued share capital set out in the above table includes the 29,000,000 B Shares to be subscribed by the Issuing Houses and/or U.S. Underwriters and 3,000,000 B Shares being offered under the

The A Ordinary Shares ("A Shares") and the B Shares rank pari passu for dividends and capital. The Founders Share confers the right to repayment of £1 on a winding-up, but confers no right to dividends. The Founders Share in certain circumstances confers a majority vote at general meetings of the Company. In normal circumstances the A Shares confer the right to four votes per share and the B Shares the right to one vote per share. There are restricted circumstances in which A Shares may be converted into B Shares.

Further details of the rights and restrictions attached to the three classes of shares are set out under "Statutory and general information-Articles of Association of the Company".

Indebtedness

At the close of business on 30th March, 1984, the Company, Reuters Limited and its subsidiaries (together "Reuters" or "the Group") had outstanding unsecured bank borrowings of £6,108,000 and finance lease commitments of £2,800,000 and had given guarantees to third parties amounting to £884,000. On that date the Group had cash balances of £11,753,000.

Except as aforesaid and apart from intra-group liabilities and contingent liabilities of the nature described in Note 18 to the Consolidated Financial Statements forming part of the Accountants' report herein, at the close of business on 30th March, 1984 no. company in the Group had any loan capital (including term loans) outstanding, or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts, finance lease commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire-purchase commitments, guarantees or other material contingent liabilities.

For the purpose of the foregoing, foreign currency indebtedness has been translated into sterling at the appropriate exchange rates ruling at the close of business on 30th March, 1984.

Arrangements for this Offer for Sale and for a simultaneous Offering in the United States

S. G. Warburg & Co. Ltd. and N. M. Rothschild & Sons Limited (the "Issuing Houses") have conditionally agreed to purchase or subscribe B Shares to be sold pursuant to this Offer for Sale. Arrangements are also being made with a group of underwriters in the United States of America (the "U.S. Underwriters") represented by Memil Lynch Capital Markets and Morgan Stanley & Co. Incorporated for an offering in the United States (the "U.S. Offering") of B Shares, in the form of American Depositary Shares ("ADSs") evidenced by American Depositary Receipts ("ADRs"). Each ADS is to represent six B Shares.

In addition to the application which has been made to list the B Shares on The Stock Exchange, it is expected that the ADSs will be approved for quotation in the United States of America through NASDAQ (the National Association of Securities Dealers Automated Quotations System) under the symbol RTRSY.

Initial expectations are that 57,000,000 B Shares will be sold under this Offer for Sale and the equivalent of 49,800,000 B Shares will be sold pursuant to the U.S. Offering. The U.S. Offering will be at a fixed price which will be as nearly as practicable the equivalent in U.S. dollars of the Striking Price under this Offer for Sale. A maximum of 106,800,000 and a minimum of 57,000,000 B Shares will be sold pursuant to this Offer for Sale and/or the U.S. Offering (together with up to 7,200,000 additional B Shares which may be added to the U.S. Offering as mentioned herein).

The Preliminary Prospectus being issued in connection with the U.S. Offering indicates that it is anticipated that the initial public offering price under the U.S. Offering will be between the U.S. dollar equivalent of 200p and 235p per B Share. If at any time before 8 p.m. (London time) on Thursday, 31st May, 1984, a change to the anticipated public offering price range is announced in the United States, a press announcement will be Issued and details of the change will be advertised as soon as practicable thereafter in the Financial Times or another leading London daily newspaper. It is intended that the then current indicated public offering price range be announced at 8 p.m. on 31st May, 1984 and be so advertised and may contain an Indication of the expected maximum Striking Price.

The final decision as to the number of B Shares to be sold pursuant to this Offer for Sale and the number to be sold pursuant to the U.S. Offering will be made at the same time as the decisions on the Striking Price and the U.S. Offering price and will reflect demand under this Offer for Sale and under the U.S. Offering.

The U.S. Underwriters will be given the right, solely for the purpose of meeting over-allotments under the U.S. Offening, to take up not more than 7,200,000 B Shares, in addition to the B Shares referred to above. This right is exercisable during a seven day period from the date of announcement of the Striking Price.

The minimum number of 57,000,000 B Shares to be included in this Offer for Sale and/or the U.S. Offering will include 29,000,000 new B Shares to be subscribed for cash by the Issuing Houses and/or by the U.S. Underwriters and 1,000,000 B Shares being effectively sold for the benefit of the Company by an affiliate of S. G. Warburg & Co. Ltd. The balance of the B Shares included in this Offer for Sale and the U.S. Offering, including the additional shares referred to in the last foregoing paragraph, will be provided by sales to the Issuing Houses and/or the U.S. Underwriters by existing shareholders in the Company. Further details are set out under "Statutory and general information-Offer for Sale Agreement".

Up to one third of the B Shares sold under this Offer for Sale may be allocated on a preferential basis to selected applicants for large numbers of shares at the Striking Price, at the discretion of the Issuing Houses.

Preferential rights will be given to qualifying employees and pensioners of Reuters Limited and its subsidiaries in respect of applications under this Offer for Sale and/or under the U.S. Offering up to a maximum of 3,000,000 B Shares or their equivalent in ADSs.

In addition to the B Shares comprised in this Offer for Sale and/or the U.S. Offering, up to 3,000,000 new B Shares (in the form of ADSs in the case of employees and pensioners in the United States and Canada) are being offered by the Company to qualifying employees and pensioners of Reuters Limited and its subsidiaries at a price of 75p per share or its equivalent in other currencies (the "Special Employee Offer"). Such offer has not been underwritten.

The U.S. Underwriters and the Issuing Houses have agreed that the U.S. Underwriters will not offer or sell ADSs in or into the United Kingdom or with a view to the re-sale thereof in or into the United Kingdom and the Issuing Houses will not accept applications for B Shares from U.S. persons as defined herein.

The Prospectus to be issued in connection with the U.S. Offering will include a statement that, in connection with that Offering, the U.S. Underwriters may over-allot or effect transactions which stabilise or maintain the market price of the ADSs or of the B Shares on The Stock Exchange at a level above that which might otherwise prevail in the open market and that such stabilisation, if commenced, may be discontinued at any time. United States regulations provide for strict control of the process of stabilisation. Any stabilisation transaction must be identified as such and may not take place at a price above the offer price under the U.S. Offering. Stabilisation may, therefore, directly or indirectly, affect the price of B Shares on The Stock Exchange.

The issuing Houses will pay to recognised stockbrokers and banks in the United Kingdom and to other financial institutions outside the United Kingdom accepted for this purpose by the Issuing Houses a commission of % per cent. of the Striking Price on acceptances in respect of applications (other than applications on special forms provided for use by employees and pensioners) bearing their stamp. However, no payment will be made to anyone who would receive a total commission of less than £10,

The Issuing Houses and the U.S. Underwriters have entered into an agreement with certain of the shareholders of Reuters Holdings with a view to ensuring that an orderly market in the B Shares is preserved for a period following this Offer for Sale and the U.S. Offering. See "Statutory and general information-Restrictions on sales of B

Shares-Orderly Marketing Agreement".

Historical background

Corporate history and ownership

Paul Julius Reuter lounded the Reuter organisation in London in 1851 and incorporated Reuter's Telegram Company Limited in 1865. He retired as Managino Director in 1878 and was succeeded by his son, Herbert. Following Herbert's death in 1915, a small group headed by Mark Napier, the chairman, and Roderick Jones, formerly the company's manager in South Alrıca, bought the entire Reuter shareholding and in 1916 created a private limited company, Reuters Limited. On Napier's death in 1919, Roderick Jones, by then Sir Roderick, became principal proprietor as well as executive head of the company.

Reuters has been controlled by the press for nearly 60 years. In 1925, The Press. Association Limited ("PA"), a company owned by provincial newspaper publishers in the United Kingdom and newspaper publishers in the Republic of Ireland, acquired 53 per cent. of the shares of Reuters Limited. PA increased its share ownership in 1929 and acquired all of the remaining shares in 1941. Later that year, The Newspaper Proprietors Association Limited, now The Newspaper Publishers Association Limited, ("NPA") acquired a 50 per cent. interest in Reuters Limited from PA on behalf of certain national newspaper companies in the United Kingdom, Australian Associated Press Proprietary Limited ("AAP"), a company owned by newspaper publishers in Australia, and New Zealand Press Association Limited ("NZPA"), a company owned by major newspaper publishers in New Zealand, became shareholders of Reuters Limited in 1947, Immediately before the corporate reorganisation described herein, the voting capital of Reuters Limited was owned as follows: 41.67 per cent. by PA, 13.89 per cent. by AAP and 2.77 per cent. by NZPA, in each case beneficially, and 41.67 per cent. by NZPA. Nominees Limited ("NPA Nominees") on behalf of its members.

In 1941, following Parliamentary debates and extensive public discussion, PA and NPA entered into an Agreement of Trust which was supplemented when AAP and NZPA became shareholders and further supplemented in 1953 (the "Reuter Trust Agreement"). The Reuter Trust Agreement obliged each shareholder to use its best endeavours to ensure that certain principles were upheld. These principles (the "Reuter Trust Principles"), as modified at the time of the corporate reorganisation to reflect the current scope of Reuters operations, are as

- (i) that Reuters shall at no time pass into the hands of any one interest, group or faction; (ii) that the integrity, independence and freedom from bias of Reuters shall at all times be
- (iii) that Reuters shall supply unbiased and reliable news services to newspapers, news agencies, broadcasters and other media subscribers and to business governments, institutions, individuals, and others with whom Reuters has or may have
- (iv) that Reuters shall pay due regard to the many interests which it serves in addition to those of the media: and
- (v) that no effort shall be spared to expand, develop and adapt the news and other services and products of Reuters so as to maintain its leading position in the international news and information business.

For the purposes of the Reuter Trust Principles, the term "Reuters" means Reuters Holdings and every subsidiary of Reuters Holdings from time to time supplying news services.

The Reuter Trust Agreement sought to ensure compliance with the Reuter Trust Principles through the appointment by the shareholders of 10 trustees who were empowered to appoint and remove directors nominated by shareholders and to resolve certain disputes. In addition, various restrictions intended to ensure compliance were included in the Memorandum and Articles of Association of Reuters Limited. However, these restrictions also had the practical fect of limiting access by Reuters Limited to the public capital markets and precluding it from

acquiring the shares or assets of other companies through the issue of shares The quarantee of independence and integrity provided by the Reuter Trust Agreement has been a key factor in Reuters business. In 1983 the Directors of Reuters Limited decided that, by means of a corporate reorganisation. Reuters could obtain access to the public capital markets and thereby more readily achieve its business objectives and enable existing shareholders to realise part of their investment, while preserving the Reuter Trust Principles. The trustees who served under the Reuter Trust Agreement announced on 22nd February, 1984 their unanimous approval of the corporate reorganisation proposal. Accordingly, Reuters Holdings was established to acquire, and through a series of transactions completed on 7th May, 1984 has acquired, all of the issued voting share capital of Reuters Limited.

In contemplation of the corporate reorganisation, NPA Nominees was established to hold A Shares for members of NPA ("NPA members"). In addition, PA was reorganised so that it now owns only A Shares and AAP and NZPA sold certain shares in Reuters Limited to an attliate of S. G. Warburg & Co. Ltd. ("Warburgs").

Accordingly, the A Shares are held by PA, NPA Nominees, AAP and N2PA (the "A Shareholders"), while the B Shares are held by members of PA, the NPA members, AAP, NZPA, the Executive Directors of Reuters Holdings, and, pending the proposed sale of their B Shares under this Offer for Sale and/or the U.S. Offering, two affiliates of Warburgs.

Additionally, Reuters Founders Share Company Limited (the "Founders Share Company"), a company owned by its directors (the "Reuter Trustees"), was established to hold the

In connection with the corporate reorganisation, the Articles of Association of Reuters Limited were amended and the A Shareholders, the NPA members, Reuters Holdings, the Founders Share Company, AAP Information Services Proprietary Limited ("AAP Services") and NZPA Services Limited ("NZPA Services"), atfiliates of AAP and NZPA respectively, entered into a Deed of Mutual Covenant dated 9th May, 1984 (the "Deed of Mutual Covenant") which replaced the Reuter Trust Agreement. The respective Memoranda and Articles of Association of Reuters Holdings and the Founders Share Company and the Deed of Mutual Covenant contain various provisions relating to the ownership and voting rights of each of the classes of shares in Reuters Holdings. These provisions, which are described under "Present structure of ownership and control" and "Statutory and general information" fall into two categories. The first category seeks to ensure that the A Shareholders retain control of Reuters and that for so long as they do so its business will be conducted in accordance with the Reuter Trust Principles. The second category seeks to ensure that no one interest, group or faction (other than the A Shareholders in respect of their A Shares) exercises any material influence or control over Reuters. Together, the provisions are intended to ensure continued compliance with the Reuter Trust Principles in a manner appropriate for a listed company.

Reuters believes that observance of the Reuter Trust Principles is not incompatible with its ability to achieve its financial objectives and to operate its business in the interests of its shareholders generally. Indeed, Reuters considers that adherence to the Reuter Trust Principles

Development of the business

in 1851 Paul Julius Reuter began lelegraphic transmission of stock market quotations een London and Pans via the new Dover-Calais cable. He had previously used carrier pigeons to deliver stock prices from Brussels to Aachen. Reuter soon extended his service between London and Paris to other European countries and expanded its content to include general and economic news. Although initially serving only financial institutions, by 1858 Reuter was supplying almost all leading European newspapers with general news

The reputation of Reuter's service was enhanced by a number of scoops. The first of these came in 1859 when Reuter transmitted Napoleon III's Paris speech foreshadowing France's war against Austria later that year. In 1865 Reuter was two days shead of any other agency in Europe with news of President Lincoln's assassination.

The influence of Reuter's business quickly spread beyond Europe as telecommunications facilities developed. By 1861 Reuter agents were located in the Far East, South Africa and Australia and a special correspondent had been despatched to cover the American Civil War. By 1872 operations were established in the Far East, with Shanghai the centre of a network of offices from Bombay to Yokohema. In 1874 Reuters opened a joint office in Brazil with the French

At first information was conveyed from Reuter offices to subscribers by messenger. In 1883 Reuters began using a "column printer" to transmit messages electrically to London newspapers. Reuter offices were linked to this machine by wire. The column printer was an ancestor of the modern teleprinter, which Reuters first employed in 1927 to distribute news to London newspapers. In 1923 Reuters pioneered the use of radio to transmit news internationally, starting with market quotations.

In 1964, under licence from Ultronic Systems Corporation ("Ultronic"), a United States supplier of market data, Reuters started to operate in Europe an automated market quotation system enabling subscribers to retrieve from Reuters data banks and to display selective current trading information from North American securities and commodities exchanges. Shortly thereafter Reuters extended this service to all areas in which it operated, other than North America, and expanded the scope of the service to include data from principal securities and commodities exchanges throughout the world.

In the 1960s Reuters also started to expand in North America. It first launched commodities news wires. In 1967 news exchange agreements with Associated Press for general news, and with Dow Jones & Co., Inc. ("Dow Jones") for financial news, were ended and Reuters greatly strengthened its news reporting and editing operations. In 1968 it launched, in association with Ultronic (which had become a subsidiary of GTE Corporation), a United States financial wire service in competition with Dow Jones.

In 1971 following the abandonment of the Bretton Woods fixed exchange rate system. Reuters embarked upon an intensive development effort to devise a computerised information gathering and distribution network to serve the needs of the decentralised international money arkets. In 1973 Reuters introduced the Reuter Monitor system, which gave subscribers rapid access on software controlled video terminals to current foreign exchange quotations contributed directly by dealers in those markets. The range of information available through the Reuter Monitor system has since been expanded to include data concerning money market instruments, commodities, equity securities, bonds, shipping services, energy products and coins and precious metals.

in 1981 Reuters introduced the Reuter Monitor Dealing Service, which enables dealers in foreign exchange and bullion to contact one another directly within seconds, using special Reuter video terminals linked to its central computers and to negotiate and conclude trades on a confidential basis. The Reuter Monitor Dealing Service currently provides a high-speed afternative to dial-up telephone and telex communications for trading in these decentralised international markets.

Reuters has recently expended considerable effort on the expansion of its own data bases and the development and marketing of a variety of interface devices and data processing systems so that subscribers can retrieve an expanded range of information services, as well as information in their own data banks and third-party data banks, and manipulate the information retrieved to enhance its usefulness.

Introduction

Reuters primary business is the collection and distribution of news and other information. This information is obtained from the world's major securities and commodities exchanges; from subscribers to Reulers who contribute information about the markets in which they deal; and from Reuter journalists. This information is then distributed to Reuters subscribers. Reuters two main markets are the financial and business communities (for which there are separate services covering foreign exchange and money market rates, commodities, equity securities, bonds, shipping, energy and coins and precious metals) and the news media around the world.

An increasing part of Reuters business is the provision of additional services and products for use in conjunction with the information Reuters supplies. These comprise a dealing service, interface devices, data manipulation systems and proposed historical data services.

In gathering information and delivering its services, Reuters employs a world wide communications network which includes 11 computer centres in Europe, North America, Asia. Africa and Australia. Subscribers primarily receive the services on Reuter video terminals and, to a lesser extent, via teleprinters.

Information sources

The information gathered by Reuters has three principal components;—

Exchange and over-the-counter trading data

At present Reuters obtains current trading information for commodities, equity securities, options and bonds from 77 organised exchanges and over-the-counter markets in 21 countries. The information is transmitted electronically to Reuters data banks, either by a direct feed from the computerised reporting system maintained by an exchange or, in the case of exchanges without such systems, through a Reuter keyboard operated by a reporter. The information is then automatically processed and stored so that subscribers can retrieve it selectively on a

Quotations for commodities and securities from North American markets are supplied for distribution outside North America by Automatic Data Processing, Inc. ("ADP") which recently acquired from GTE Corporation the business first provided by Ultronic. The agreement between ADP and Reuters is terminable by either party on six months' prior notice which may not be given

Contributed data

For financial markets with no physical trading exchange, Reuters has established the Reuter Monitor contributed data system. Using Reuter video terminals, dealers contribute their latest quotations, recommendations and other market data direct to Reuters data banks. Data contributed by one subscriber to a Reuter Monitor service is available to all other subscribers to the service except those which the contributor directs should be precluded from access to its

The Reuter Monitor system was originally introduced to provide dealers in the international foreign exchange market with a high-speed and convenient alternative to conventional telephone and telex communications for obtaining current quotations. Today quotations, recommendations and other market data also are contributed for money market instruments, commodities, equity securities, bonds, shipping, energy and coins and precious metals.

As new data is contributed to Reuters data banks, the corresponding data previously stored in these data banks and displayed on Reuter video terminals is updated automatically. Subscribers can receive data within seconds after it has been contributed. During the average frading day approximately 250,000 contributions of information are distributed through the

Subscribers receive no payment for contributing data. However, they receive broad exposure to dealers in what, but for the centralised information source created by the Reuter Monitor system, might otherwise have remained fragmented markets. At 31st December, 1983, real time information was being contributed by approximately 1,500 subscribers in 51 countries, representing approximately 16 per cent, of the total number of subscribers to the Reuter Monitor

General news and financial and business news

General news and financial and business news is compiled by Reuters staff of journalists. At 31st December, 1983, Reuters had approximately 600 full-time journalists in 64 countries and approximately 1,000 part-time journalists in these and 46 additional countries. Many Reuter journalists are specialists in particular financial subjects or commodities. Reporting bureaux are based in Beirut, Bonn, Brussels, Buenos Aires, Cairo, Chicago, Frankfurt, Johannesburg, London, Mexico City, Moscow, New Delhi, New York, Paris, Peking, Rome, Tokyo, Toronto, Washington, Zurich and 73 other cities, including 10 in the United States. Many of Reuters field reporters are equipped with portable terminals on which they can prepare reports for electronic transmission to Reuters by public telephone lines.

News reports are prepared in most bureaux using video display units. The reports are then transmitted electronically to editorial desks in Bahrain, Beirut, Bonn, Buenos Aires, Cairo, Chicago, Hong Kong, London, Nairobi, New York and Paris. During the European business day, the London editorial centre serves as the main clearing house for general news; during the European night this function is assumed by the Hong Kong editorial centre. International financial and business news is edited in Chicago, Hong Kong, London and New York and in Bahrain on Saturdays and Sundays. Regional and, in some cases, national financial and business news is added by regional editing centres. News about particular financial markets is edited in the centres closest to those markets. For example, news about the commodities market is edited mainly in Chicago and London.

Information services

The information services provided by Reuters have two principal components:---

Reuters supplies news of politics, economics, the arts, sports, science, human interest, finance, commodities, securities, corporations and the business world to newspapers, radio and television networks and stations, governments and international governmental institutions such as the United Nations, it distributes these services in 158 countries. During 1983, these services generated revenue of approximately £15.6 million, representing approximately six per cent. of Reuters total revenue for the year.

News reports received from Reuter journalists, together with reports from other press agencies (including those associated with Reuters), are edited on video terminals into a range of international, regional and national news services. In many cases, these services are produced and distributed 24 hours a day and seven days a week to serve media subscribers in many different time zones. In addition to English language services, Reuters produces services in Arabic, French, German and Spanish.

Media news services are supplied to subscribers either directly by Reuters or through various national news organisations to which Reuters has granted distribution rights. Subscribers generally receive the services via teleprinters or directly into their computers.

Reuters plans to start a news picture service in 1985.

Business

Financial and business information services Reuters packages financial and business information into a variety of services designed to suit the requirements of subscribers in particular sectors of the financial and business communities. It distributes these services through video terminals in 81 countries and via teleprinters in 112 countries. During 1983 these services generated revenue of approximately £215.1 million, representing approximately 89 per cent. of Reuters total revenue for the year.

Information services are derived from approximately 8,000 video pages of contributed data and quotations, and from price and other data not held in page formal relating to approximately 25,000 equity securities, approximately 12,500 exchange quoted equity options and approximately 135 commodities futures contracts. In addition, the services taken by many subscribers contain news, particularly financial and business news. The services are primarity delivered to subscribers on Reuter video terminals. To a considerably lesser extent, teleprinters and news letters are also used. Reuters video retrieval services have an automatic alert facility to attract a subscriber's attention to important news items even if the subscriber's terminal is then displaying other information.

The main categories of linancial and business information services are described herein. A majority of subscribers to the Reuter Monitor video retneval system subscribe for services in two

1. Foreign exchange and money market services

Reuters introduced video retrieval services for foreign exchange and money market instruments in 1973. These services, the first provided through the Reuter Monitor video retrieval system, generated the greatest proportion of revenue derived by Reuters from its financial and business information services in each of the last five years.

The services collectively provide foreign exchange quotations for 106 currencies, Eurodeposit rates for 35 currencies, quotations on money market instruments (such as government securities, bankers acceptances and certificates of deposit) and gold and silver bullion prices. At 31st December, 1983, approximately 2,500 video pages of data were being contributed to these services by approximately 870 dealers in approximately 50 countries. In

Foreign exchange and money market information may be retrieved either on single video pages, each containing information provided by a snote contributor, or on composite video pages, which contain information on a particular currency or money market instrument or on a range of currencies or instruments. Contributors' names or symbols appear with their contributed Subscribers may supplement quotations with Reuters Money News retrieval services and

with background economic data. The Money News retrieval services, produced by Reuter journalists, provide a continuous flow of news stories of particular significance to various international, regional and national money markets. Video pages of background economic data include international trade and payments balances, money supply data, official monetary reserves, discount and other key interest rates and consumer prices. At 31st December, 1983, Reuters foreign exchange and money market video retrieval

services were delivered to approximately 8,300 subscriber locations.

The principal foreign exchange and money market service delivered via teleprinters is the Reuter Money Report. Edited in London, New York and Hong Kong, it is similar in content to the Money News retrieval services.

Commodities services

Reuters began to operate commodities retrieval services in 1964; these were expanded to include contributed data in 1977. Ouotations and news are offered to subscribers in a range of services tailored to interests in particular commodities. The services collectively provide subscribers with quotations on approximately 135 futures contracts and in 36 options series, including those for grains, diseeds, coffee, cocoa, sugar, rubber, other agricultural products, oil and its derivatives, non-ferrous and precious metals, currencies, financial instruments and stock indices. (The latter four categories are also very widely distributed in Reuters money and securities services.) In addition, at 31st December, 1983, approximately 650 video pages of quotations and recommendations on cash and tutures prices were being contributed by 125

Subscribers may also receive Reuters Commodities News retrieval services, background data on commodities and pertinent foreign exchange and money market data.

At 31st December, 1983, commodities video retrieval services were delivered to approximately 2,000 subscriber locations.

In addition to retrieval services, Reuters provides a range of commodities services delivered via teleprinters. In some countries, including the United Kingdom and Hong Kong, Reuters also delivers newsletters relating to commodities.

Reuters obtains data from North American commodities exchanges from ADP for use outside North America. Reuters obtains data directly from North American commodities exchanges for its services in North America.

Equity securities services

Reuters began to operate retrieval services for equity securities in 1964; these were expanded to include contributed data in 1978. The equity securities services collectively provide subscribers with prices and related data on approximately 25,000 equity securities and approximately 12,500 exchange quoted equity options from 56 securities exchanges and over-the-counter markets throughout the world. In addition, prices for approximately 1,800 equity securities (primarily securities traded after the normal trading hours of an exchange and securities not admitted to trading on an exchange) are contributed by market makers and other subscribers. At 31st December, 1983, approximately 650 video pages of quotations and recommendations were being contributed to the services by 123 subscribers.

Subscribers can retrieve the latest information on price movements of selected securities in specific markets. In addition, they can set their video displays to update and display on a single page a selected portfolio of securities. The subscriber is alerted when predetermined buy or sell limits are reached in the porttolio, even if a different page of data is being displayed at the time.

Subscribers may also receive Reuters Securities News retrieval services, which contain the latest information likely to affect securities markets, background economic data and company Regional and national equity security services are provided in many areas for those not

needing a comprehensive service. Subscribers can also elect to receive exchange trading data without contributed data or news. At 31st December, 1983, video retrieval services for equity securities were delivered to approximately 1,600 subscriber locations. Reuters also provides a range of services delivered via teleprinters, tailored to meet

particular interests of subscribers. Another service provides closing prices of approximately 40,000 equity securities in computer readable form. Reuters obtains data from North American securities exchanges from ADP for use outside North America. Reuters does not market a separate North American securities information video retrieval service in North America, where it carries some securities information on video retrieval

services and markets a securities service delivered via teleprinters.

4. Bonds services

Reuters introduced video retrieval services for bonds in 1975. The services collectively contain subscriber quotations for approximately 3,000 bonds (primarily Eurobonds, for which the main trading takes place directly between dealers outside securities exchanges). At 31st December, 1983, approximately 1,100 video pages of data were being contributed by approximately 190 banks and securities firms in 21 countries. Subscribers can also retrieve data on bonds traded on various securities exchanges and pertinent foreign exchange and money market data.

Subscribers may also receive Reuters Securities News retrieval services. At 31st December, 1983, video retrieval bonds services were delivered to approximately 2.200 subscriber locations.

Shipping services

Reuters introduced a video retrieval service in 1981 for oil tanker information and a similar service in 1982 for dry bulk cargo vessel information. These services provide shipping brokers, charterers and shipowners with information concerning the availability of, and requirements for, oil tankers and dry bulk cargo vessels at various ports for specific routes. At 31st December, 1983, approximately 2,700 video pages of data were being contributed to the two services by an aggregate of approximately 250 brokers. The services also provide Reuters Shipping News.

\$4.5 mg \$ 125.5

At 31st December, 1983, the two shipping services were delivered to an aggregate of approximately 400 subscriber locations.

Energy service

Reuters introduced an energy video retrieval service in 1982. It provides brokers, dealers, producers, retiners, transporters and chemical companies with quotations of spot and futures prices for crude oil and petroleum products and related recommendations. At 31st December, 1983, 57 video pages of data were being contributed to the service by 10 traders in six countries,

The service generally includes Reuters Energy News. In addition Reuters provides access to specialised energy information furnished by third parties.

At 31st December, 1983, the energy service was delivered to approximately 400 subscriber locations.

Coins and precious metals service

Reuters introduced a video retrieval service for coins and precious metals in 1981. The service, which is generally sold in conjunction with other Reuter video retrieval services, provides quotations for a variety of gold and silver coins and precious metals (including gold, silver, platinum and palladium). At 31st December, 1983, 110 video pages of data were being contributed to the service by 80 subscribers and the service was being delivered to approximately 400 subscriber locations.

Additional products and services

Reuters has developed additional products and services for use by the financial and business communities in conjunction with the information Reuters supplies. These products and services generated revenue of approximately £11.0 million in 1983, representing approximately five per cent. of Reuters total revenue.

Dealing service

The Reuter Monitor Dealing Service, which was introduced in February 1981, enables dealers in various countries to contact one another directly within seconds to negotiate and conclude trades using a special Reuter video terminal. Transactions are confirmed at the subscribers' premises through simultaneous "hard copy" print-outs. Because Reuters central computers record only the volume (not the content) of data transmitted, communications ween dealers are confidential

The Reuter Monitor Dealing Service is a fast and reliable alternative to dial-up telephone and telex communications. It is currently available to dealers in foreign exchange and builton. Reuters expects to extend the service to dealers in bonds. In the three years since its introduction the service has increased as follows.-

1981 1982 1983 190 380 490 9,200 20,000

Interface devices

Interface devices, designed and developed by Reuters, or licensed from third parties for distribution by Reuters, permit a subscriber to the Reuter Monitor system to use a single Reuter keyboard to retrieve not only the full range of Reuters information services but also information contained in the subscriber's own computers and in third party data banks. The information retrieved may be displayed interchangeably and in varying formats on a single video screen or simultaneously on an array of video screens. A programmable keyboard, introduced in 1981, enables a subscriber to pre-select various services and data sources for accessing by a single keystroke, thus simplifying and expediting data retrieval and display.

In addition to providing additional revenue, interface devices enable Reuters to play an active role in the design of modern dealing facilities. Reuters believes that involvement in the technical requirements of dealers is an important general marketing aid.

Data manipulation systems

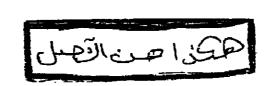
Reuters is introducing various optional add-on systems permitting use of a Reuter video inal, linked to a personal computer, to identity and calculate arbitrage opportunities, to convert digital data displays to graphic formats and to reorganise data in multi-coloured graphs and charts. In addition, as an adjunct to the Reuter Monitor Dealing Service, Reuters is marketing the Reuter Position Keeping Service. The service permits a subscriber to record and value transactions in toreign exchange and money market instruments and automatically updates the subscriber's computer-recorded trading inventories.

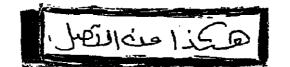
Historical data services

Reuters is developing new data base products containing historical information. These will complement the real time information services for its existing financial and business markets and are also expected to provide opportunities to penetrate additional markets.

The first of these products will consist of historical and background data for Eurobond dealers. It will contain the terms, yield calculations and other information on more than 3,000

To develop these services, Reuters has recently started feeding its daily news file to special computer data banks, where it is organised and edited for retrieval purposes. This historical news file will also provide a greatly expanded library resource for Reuter journalists.





Central data facilities and communications network

Reuters communications network employs five primary computer centres located in London, Hong Kong, New York, Frankfurt and Geneva and six secondary computer centres located in Amsterdam, Paris, Zurich, Johannesburg, Singapore and Sydney. Nearly all central data equipment is owned by Reuters. The premises for all centres other than the New York centre are leased.

Key central computer systems are duplicated and alternative power sources in the primary computer centres are available to assure continuity of service in the event of a system breakdown or primary power supply internation, in addition, fire control systems and security systems are maintained at each computer centre. Technical personnel continuously monitor the status of all computer systems and can repidly adapt the systems to compensate for equipment Of trunk circuit failures between computer centres.

Reuters computer centres are linked together by dedicated international communications circuits which rely primarily on satellites and high-speed terrestrial telephone lines. These circuits are usually leased from government telecommunications authorities ("PTTs"), except in the United States and Canada where they are leased from privately-owned carriers.

Within countries outside North America, local communications between computer centres and Reuters subscribers are almost entirely by dedicated terrestrial telephone lines leased from PTTs. Satellite facilities are not yet available to users such as Reuters for direct transmission to subscribers. Within North America, communications with Reuters subscribers also rely on dedicated leased terrestrial telephone lines. However, these lines are supplemented by, and in some cases connect with, satellite, coaxial cable and microwave transmission systems. Reuters is seeking to expand its use of multi-directional microwave and small-dish satellite transmissions directly to subscribers' facilities.

Reuters has devoted substantial resources to the application of television broadcast echnology for transmission of digital data to subscribers in the United States. In 1973 IDR, Inc., a Reuter subsidiary based in the United States ("IDR"), developed the proprietary "Row Grabber" system, which converts digital data into a television signal format. The data can then be transmitted, in a continuous stream of more than 4,000,000 bits per second, to subscribers via satellite, microwave or coaxial cable broadcast. The growth of services delivered via the "Row Grabber" system is restricted by the absence of suitable coaxial cable networks or microwave facilities in most major United States financial centres other than New York City, but such facilities are now in some cases becoming available. In 1983, Reuters experienced a number of major interruptions of services to its New York City subscribers via the cable facilities provided to Reuters by the local cable television network operator. Performance improved significantly, however, after the operator took steps to improve the quality of its tacilities. Reuters at present is exploring the feasibility of installing two-way coaxial cable transmission lines designed to its own specifications in various cities in the United States. Reuters is at present testing (through Western Union Telegraph Co.) a cable network in the financial centre of San

The recent divestiture by American Telephone & Telegraph Company of its ownership of local telephone exchange companies is expected to result in significant increases in the cost to users of local exchange telephone circuits and connections in the United States. Such users include subscribers for electronic information services provided in the United States. Accordingly, it is expected that suppliers of these services, including Reuters, may seek alternatives to local telephone lines for receiving services in order to limit cost increases.

Management believes that the experience of Reuters technical personnel in adapting Reuters services to various delivery systems will be of value in responding to the developing needs of its existing and potential subscribers in the United States and, as and when applicable regulations permit, in other countries.

Principal markets

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- Reuters operations are organised for marketing and management purposes into four geographical areas:-
- -Reuters Europe, covering 23 countries including the Union of Soviet Socialist Republics;
- ---Reuters Asia, Australia and New Zealand, covering 40 countries and territories in Asia, Australia, New Zealand and the Middle East;
 - Reuters North America, covering the United States, Canada, the Cayman Islands,
- Bermuda and the Bahamas: and -Reuters Overseas, covering 60 countries and territories in Africa, Central America,
- South America and the Caribbean, as well as Mexico and Israel. Reuters annual revenue by area for the five years ended 31 st December, 1983 (in millions)

was as tollows:	Year ended 31st December									
Areas	1979		1980		1981		1982		1983	
	3	%	£	%	£		£	%	£	96
Reuters Europe	48.9	·64	54.9	61	77.6	56	93.7	52	122.1	50
Reulers Asia, Australia										
and New Zealand	11.6	15	15.8	17	26.9	19	41.0	23	62.8	26
Reuters North America	11.1	15	13.4	15	23.9	17	31.7	18	40.7	17
Reuters Overseas	4.7	6	6.0	7	10.4	8	13.5	7	17.0	7
Total :	76.3	100	90.1	100	138.8	100	179.9	100	242.6	100

Reuters Europe

Reuters Europe accounted for at least 50 per cent. of Reuters total revenue during each of the past five years, its infrastructure is larger than that of any other commercial supplier of electronic information services in Europe. In addition to its executive headquarters in London, Reuters has computer centres in London, Frankfurt, Geneva, Amsterdam, Paris and Zurich, branch offices in all significant European countries (except Albania, Bulgaria, Czechoslovakia, Hungary and Rumania), editorial centres in London, Bonn and Paris and reporting bureaux in 27

Reuters information gathering, technical, marketing and subscriber servicing resources are integrated and not generally dependent upon co-operative arrangements with other organisations. These resources and Reuters infrastructure have enabled Reuters to pursue an active policy of market development and service innovation in Europe.

The market for Reuters services in Europe is large and well established. A significant portion of Reuters business in the area consists of services provided to major financial institutions in the international financial centres of Amsterdam, Brussels, Frankfurt, Geneva, London, Milan, Paris and Zurich. Although Reuters had started to provide financial institutions with financial news and information services during the 19th century, following the abandonment of the Bretton Woods fixed exchange rate system in 1971 Reuters drew upon its previously established infrastructure to develop a substantial base of subscribers contributing exchange rate data to the Reuter Monitor system. It has recently drawn upon its European subscriber base for the Reuter Monitor system to introduce new financial services and products, such as the Reuter Monitor Dealing Service.

Of the total revenue generated by Reuters Europe during 1983, approximately 72 per cent. was attributable to four countries: the United Kingdom (32 per cent.), Switzerland (20 per cent.), West Germany (12 per cent.) and France (eight per cent.).

Reuters Asia, Australia and New Zealand

Of the four areas, Reuters Asia, Australia and New Zealand has made the greatest increase (from 15 per cent. to 26 per cent.) in its contribution to Reuters total revenue during the past tive years. The area is divided for marketing and management purposes into two regions: the Eastern region (including the Indian subcontinent, the Asian mainland, Singapore; Indonesia, the Philippines, Sri Lanka, Japan, Taiwan, Australia and New Zealand) and the Middle East region (including all of the principal oil producing states). The contributions of the two regions to Reuters Asia, Australia and New Zealand revenue in 1983 were 59 per cent. and 41 per cent.

The growth of the Eastern region is primarily attributable to a substantial increase in recent years in the volume of trading in the Euro-currency market by financial institutions in Hong Kong, Tokyo and Singapore as well as the extension of Reuters computerised financial and business information services to countries not previously served. Substantial Eastern region contributors to Reuters Asia, Australia and New Zealand 1983 revenue were Hong Kong (16 per cent.), Japan (15 per cent.), Singapore (12 per cent.) and Australia (five per cent.). In Japan, Reuter Monitor services are distributed directly, while other services are generally distributed through local news

Business

Parts of the Middle East, which includes substantial national and foreign financial institutions, have been adversely affected by civil and international war. During the past five years, the Reuter Monitor system has been introduced in 10 countries in the region and the Reuter Monitor Dealing Service has been introduced in six countries in the region.

In addition to computer centres in Hong Kong, Singapore and Sydney and editorial centres in Bahrain and Hong Kong, Reuters maintains branch offices in 16 countries in the Eastern region and seven countries in the Middle East region and reporting bureaux in 19 cities in the Eastern region and nine cities in the Middle East region.

Reuters North America

Reuters North America has contributed between 15 and 18 per cent. of Reuters total revenue during each of the past five years. Since 1977 Reuters has more than doubled its North American marketing staff. Branch offices are maintained in 10 cities, and reporting bureaux in 13 cities (including Washington, D.C., Reuters largest reporting bureau in the world). Reuters two North American editing centres are located in New York and Chicago. In 1983 Reuters completed construction of its New York computer centre and installed its own satellite up-link

Reuters introduced the Reuter Monitor system in North America in 1973, concurrently with the introduction of the system in Europe. Reuters has successfully marketed electronic financial information services to North American subscribers for commodities, foreign exchange and Eurodeposit rates, foreign equity securities and bonds, shipping, energy and coins and precious metals, it does not, however, provide data from North American securities markets to North American subscribers in a separate video retrieval service. The Reuter Monitor Dealing Service, introduced to North America in 1981, was used by approximately 50 subscribers in the area at 31st December, 1983.

Reuters penetration of the market for electronic information services with respect to U.S. Treasury and federal agency securities has been limited by its inability to date to obtain contributed data from any of the five principal brokers in such securities. One of these brokers furnishes its quotations exclusively to Reuters principal competitor for such services, Teterate, Inc. ("Telerate"), of which the broker was formerly an affiliate. The others currently provide quotations to only the "primary" dealers in government securities. Reuters at present receives contributions of government securities data from a small broker and several primary dealers. It is also seeking to obtain contributed quotations from one or more of the principal brokers, but there can be no assurance that such efforts will be successful.

Reuters Overseas is the smallest of the four areas in terms of revenue. The adaptation of various international services for local use, the development of national services, the expansion of Spanish language services for Central and South American markets and the use of satellites to improve telecommunications to and within the area have enabled revenue to grow, albeit from a low base, and present opportunities for further growth. South Africa and Israel, which have sophisticated financial markets, collectively contributed 34 per cent. of the revenue reported by Reulers Overseas in 1983. Argentina, Brazil, Mexico and Venezuela, which have significant financial markets, collectively contributed 36 per cent. of such revenue.

In addition to a computer centre in Johannesburg and editorial centres in Buenos Aires and Nairobi, branch offices are maintained in 14 countries in Latin America and the Caribbean, in nine countries in Africa, and in Israel. Reporting bureaux are located in 15 cities in Latin America and the Caribbean, eight cities in Africa (including one in South Africa) and two cities in Israel.

Subscribers and marketing

Reuters has over 15,000 subscribers, counting branches separately. The numbers of Reuter video terminals and teleprinters at the end of each of the past five

Reuters estimates that of its subscribers during 1983, approximately 70 per cent. were financial institutions, approximately 23 per cent. corporations in other sectors of the business community, approximately six per cent. newspapers, broadcast news media and other news agencies and approximately one per cent. governments, central banks, international governmental institutions, other organisations and individuals. All of the world's 100 largest banks, as ranked by The Banker magazine in June, 1983, are subscribers.

Reuters has concentrated its marketing efforts towards large financial institutions having a substantial need for comprehensive real time market information delivered in multiple and rapidly variable formats. These subscribers include a substantial number of multinational financial and business institutions, which conduct operations in more than one, if not all, of Reuters four areas. However, in 1983 no single subscriber accounted for more than 1.6 per cent. of Reuters total revenue and Reuters 10 largest subscribers (in terms of revenue) accounted in the aggregate for in the region of eight per cent. of its total revenue, Reuters also markets a series of modified services for those requiring less comprehensive services.

Reuters services are marketed by a sales force which at 31st December, 1983 consisted of approximately 180 full-time employees. Reuters does not generally use selling agents. The majority of Reuters revenue is covered by contracts providing for successive terms of two years unless terminated by either party as of the end of any term upon six months' prior notice. Charges are based upon the particular information services purchased by a subscriber,

the number of video terminals and teleprinters installed and the extent to which additional products and services are used. Payment terms vary from monthly to quarterly, half-yearly or annual remittances in advance. Reuters charges are on a fixed basis and do not vary according to volume of use, except in the case of the Reuter Monitor Dealing Service where Reuters reserves the right to charge for volume of use above a certain level.

Research and development

Reuters is engaged in research and development with respect to applications of high-speed electronic communications technology, it is Reuters policy to concentrate its development resources on equipment or software that cannot be obtained from suppliers at the desired level of performance or cost. Approximately 175 Reuter employees are engaged in research and development at its main technical centre in London and at two locations in the United States. Outside consultants are used from time to time and assisted in the original development of the Reuter Mondor system, the Reuter Monitor Dealing Service and other systems and services. Expenditure for research and development aggregated approximately £4.3 million in 1981, approximately £6.2 million in 1982 and approximately £9.6 million in 1983.

The expansion of Reuters data base, the growth in the number of video terminals and the increasing volume of both requests for data and contributions of data impose increasing demands upon Reuters data processing, switching, transmission and delivery systems. To date, Reuters has been successful in maintaining the speed and efficiency of its systems. A substantial part of its technical development efforts is, however, concentrated on increasing the data carrying capacity and speed of its communications network without concomitantly increasing costs. These efforts include the development of software to increase the capacity of subscriber terminals to store information and thereby decrease the need for retrieving information from Reuters central data banks. Reuters technical personnel are also seeking to develop improved internal processing and data enhancement capabilities for subscriber terminals, as well as computer programmes to expand the historical content of Reuters data base and other systems and services. Data manipulation systems using colour graphics are a recent result of these

Equipment supply and servicing

Reuters central computers are principally supplied by Digital Equipment Corporation. High speed moderns and multiplexors are supplied by Codex Corporation, Racal-Milgo, Incorporated and Timeplex, Incorporated. Switching and interconnecting devices are produced by various manufacturers to Reuters designs. Substantial quantities of subscriber terminal controllers as well as various components used in the "Row Grabber" system are manufactured by IDR. Video display screens, keyboards, hard copy printers and teleprinter terminals are supplied by various manufacturers. It is Reuters policy to minimise the number of suppliers of its central processing and subscriber terminal equipment in order to facilitate system maintenance and upgrading.

Reuters considers its relationships with its suppliers to be satisfactory. However, it seeks to maintain stocks of components at levels which will provide it with adequate supplies should a particular supplier prove unable to meet Reuters needs and a new supplier have to be found. This policy is not always capable of implementation and, in view of the rate of growth of Reuters limitations of supplies have in the past limited, and could continue to limit, sales from time to lime.

For 1984 Reuters currently expects that its expenditure will include approximately £17 million on central computer and communications systems and approximately £34 million on subscriber terminal equipment.

The installation, operation and maintenance of Reuters central computer equipment are generally performed entirely by its own technical personnel, Exceptions are the Hong Kong computer centre, which is operated for Reuters by a local subsidiary of Cable & Wireless P.L.C., the Singapore computer centre, which is operated by the Singapore Telecommunications Authority, and the Sydney computer centre, which is operated by AAP Services. Communications equipment supplied by PTTs generally is installed and maintained by PTT employees. The installation and maintenance of subscriber terminal equipment generally are performed by Reuters own field personnel. In a number of locations, especially in North America, these services are performed by subcontractors. Reuters is gradually substituting its own tield maintenance personnel for subcontractors when justified by local business volume.

Competition

At present a number of firms compete with Reuters in supplying electronic information services in various geographical areas, although Reulers believes that none has a breadth of services or an integrated information gathering, marketing and technical infrastructure equal to that of Reuters.

Reuters principal competitors for the supply of services to the media are two United States news agencies, Associated Press and United Press International. Outside the United States Reuters competes directly with both of these agencies and, in certain areas, with national news agencies of various countries. Within the United States, Reuters services to the news media are more international in content and, therefore, supplement rather than directly compete with those furnished by Associated Press and United Press International.

Reuters principal competitors for the supply of financial and business information services outside the United States include Telerate, Associated Press and Dow Jones (operating jointly under the name "AP-Dow Jones/Telerate") and Commodity News Service Inc. (operating under the names "Uniquote" and "Unicom"). Competition for the supply of specific types of financial information services is also encountered. Quick, a Japanese information service, offers to dealers around the world quotations for Japanese domestic money market instruments. Telekurs A.G., a Swiss organisation owned by a group of Swiss banks, turnishes an electronic quotation service in Switzerland, Germany and France for securilies traded on a number of stock exchanges. Topic, a service of The Stock Exchange in London, primarily provides quotations and related information concerning securities traded on that exchange mainly to the London financial community. Manifest is a comparable service for commodities traded on The London Commodities Exchange.

Competition with Reuters for the supply of services to the financial and business communities within the United States is encountered primarily from ADP Comfrend, Commodity News Service Inc., Dow Jones and Telerate. Other principal suppliers of real time information services in the United States, principally domestic securities services, are Quotron Systems Inc. and the Bunker Ramo division of Allied Corporation. There are also numerous smaller competitors in North America.

Telerate, within the United States, and AP-Dow Jones/Telerate, outside the United States, are the only organisations providing to subscribers electronic delivery of specialised financial information services approximating in type and format to certain of the services furnished by Reuters. Telerate and AP-Dow Jones / Telerate also turnish their subscribers with economic news summaries which are supplied by various news services, including AP-Dow Jones. Within the United States, Telerate's contributed data services covering U.S. government securities and domestic money market instruments have achieved greater market penetration than those offered by Reuters. Reuters believes that this is attributable primarily to Telerate's early entry into the market for such services and to its arrangement with one of the five principal brokers for U.S. government securities for an exclusive supply of quotations. See "Principal Markets - Reuters North America". Reuters believes that Telerate's data base of foreign exchange and non-U.S. money market quotations is substantially less comprehensive than that of Reuters and that Telerate has achieved less penetration of the markets for this information within the United States. Reuters believes that the penetration by AP-Dow Jones/Telerate of all sectors of the electronic information services market outside the United States is substantially less than that of Reuters. Other companies and joint ventures, which may include existing subscribers or competitors

and which may have technical and financial resources equal to or substantially greater than those of Reuters, may also begin to compete with Reuters in supplying electronic information services in various geographical areas. In March 1984 Merrill Lynch & Co., Inc. ("Merrill Lynch"), parent company of the largest securities brokerage firm in the United States, and International Business Machines Corporation ("IBM"), announced the formation of a joint venture that will offer to the financial services industry and other institutions an electronic information delivery and office automation system. The system is intended to deliver current market information, together with customer account data and other internal communications, to an electronic workstation incorporating an IBM personal computer. Memil Lynch has advised Reuters that the joint venture has constructed a prototype and at present expects to initiate a pilot operation in certain Memili Lynch offices by the second quarter of 1985. Merrill Lynch has further advised Reuters that, atthough initially intended for use in Merrill Lynch's branch offices in the United States, the system also will be marketed to other firms in the financial services industry and other institutions. It is not possible at this time to quantify the effects, if any, that the system will have on Reuters either inside or outside the United States. Certain affiliates of Merrill Lynch throughout the world are subscribers to Reuters services, collectively accounting for less than 1.6 per cent. of total revenue in 1983. An affiliate of Merrill Lynch is one of the representatives of the U.S. Underwriters, In May 1984 Merrill Lynch agreed to an extension to 28th February, 1989 of substantially all subscriber contracts between its subsidiaries and affiliates and Reuters in effect on 29th February, 1984 subject to certain cancellation rights and corresponding penalties.

With few exceptions, Reuters has supplied its financial and business information services to subscribers solely through its own terminals. Reuters is aware that certain large financial institutions are considering adapting and extending their own computer systems to provide electronic retrieval and delivery of financial information within their own organisations and may seek to obtain direct data feeds without installation of terminals. Reuters experience with those institutions that in the past have obtained data feeds from Reuters for use in internal systems indicates that the substantial investment in and commitment to specific technology and equipment required for an information user to develop its own systems reduces the likelihood that such developments will have a material adverse effect on Reuters business. The increasing acceptance of, and reliance upon, the Reuter Monitor Dealing Service and Reuters interface products by major financial institutions also reduces that likelihood,

Government regulation

Access to and use of communications links are subject to government regulation and/or ficensing in every country. In most major countries, other than the United States and Canada, the principal communications delivery systems are owned and regulated by PTTs. Accordingly, the activities of Reuters in any particular country may from time to time be affected by changes in law or interpretations of law, or licensing arrangements which may in turn be affected by factors such as prevailing government policy or the financial requirements of the PTTs themselves. Reuters and its competitors are subject to constraints in certain countries in which they operate, including obligations to permit participation in information dissemination by local companies, obligations to use equipment from specified local suppliers and limitations on the use of PTT systems for transmission of data signals. The possible relaxation of certain regulations imposed in certain countries, particularly regulations relating to use of delivery systems other than terrestrial telephone lines, may facilitate Reuters introduction outside North America of alternative systems (such as coaxial cable, small dish satellite and microwave services) for delivering services to

Because of Reuters long history as a major user of international communications circuits, it has developed a close working relationship with various PTTs. Reuters technical personnel regularly consult PTTs concerning the most appropriate systems for transmitting particular types of data. This relationship is important in view of the ability of PTTs to affect Reuters business

The Company has 15 Directors, of whom 12 are Non-Executive Directors and three are Executive Directors. The Articles of Association provide that three of the Directors are to be elected by the holders of B Shares exclusively ("B Share Directors") and the remaining Directors are to be elected by all shareholders. As mentioned herein, under the Deed of Mutual Covenant the A Shareholders agree to nominate and exercise their voting rights to ensure the election of eight Directors.

Non-Executive Directors

Sir Denis Hamilton, 65, became a Director of Reuters Limited in 1967 and has been its Chairman since 1979. He served as Editor-in-Chief of the newly formed Times Newspapers Limited from 1967 to 1981, as Chief Executive from 1967 to 1970 and as Chairman from 1971 to 1980. Sir Denis was President of the Commonwealth Press Union from 1981 to 1983, a member of the Press Council from 1959 to 1981 and Chairman of the British Committee of the International Press Institute from 1971 to 1981. He was a Director of International Thomson Organisation PLC from 1950 to 1983 and he has been a Trustee of the British Museum since

Mr. Anderson, 54, is a Director of PA, and of Business Press International Limited and Reed Regional Publishing Limited which are subsidiaries of Reed International P.L.C. He served as Joint Managing Director of United Newspapers PLC from March 1981 to November 1983. He joined the Newspaper Society Council in 1973 and is a past Chairman of the Society's Newsprint Committee. Mr. Anderson is a former Chairman of the Evening Newspaper Advertising Bureau and played a leading role in planning the Regional Newspaper Advertising Bureau. He was appointed to the Board of Reuters Limited in 1982 and is one of the three Directors who were nominated to the Board of Reuters Holdings by PA.

Mr. Evans, 51, has been Joint Deputy Managing Director of International Thomson Organisation PLC since 1980. He has been Chairman and Chief Executive of Thomson Regional Newspapers Limited since 1982 and a Director of PA since 1983. He is or has been a Director of a number of other Thomson companies, including Times Newspapers Limited between 1978 and 1981. He was appointed to the Board of Reuters Limited in 1984 and is one of the three Directors

who were nominated to the Board of Reuters Holdings by PA. Mr. Gibbings, 55, has been Chairman of The Guardian and Manchester Evening News plc since 1973 and was formerly a Director of The Observer Limited. He has been a Director of PA since 1982. He was a member of the Press Council from 1970 to 1974. He is also a Director of Angka Television Group plc. He was appointed to the Board of Reuters Limited in 1984 and is one of the three Directors who were nominated to the Board of Reuters Holdings by NPA

Management and employees

Mr. Gyllenhammar, 49, has been Chairman of Aktiebolaget Volvo since 1983, having been Chief Executive Officer of the Volvo Group since 1971. He has been a Director of Skandinavis Enskilda Banken since 1979, of United Technologies Corporation since 1981, of Atlas Copco AB since 1982 and of S. Pearson & Son plc since 1983. Since 1972 he has been a member of the International Advisory Committee of The Chase Manhattan Bank, N.A. He was appointed to the Board of Reuters Holdings in May 1984 and is one of the three B Share Directors. Mr. Hogg, 47, has been Chairman of Courtaulds PLC since 1980, having been a Director

since 1973. He joined the Courtaulds Group in 1968 when he was appointed a Director of The International Paint Company Limited. From 1966 to 1968 he worked for the Industrial Reorganisation Corporation and prior to that worked for three years for Hill Samuel & Co. Limited. He was appointed to the Board of Reuters Holdings in May 1984 and is one of the three B Share Directors.

Mr. kvine, 47, has been the Managing Director of Fleet Holdings P.L.C. since its formation in 1982 as the parent company of the demerged publishing activities of Trafalgar House Public Limited Company. He is a Director of its principal subsidiaries Express Newspapers p.l.c. and Morgan-Grampian plc and of other subsidiaries and affiliates including Capital Radio Limited. TV-am Limited and Britannic Film and Television Limited, From 1965 to 1982 he was a partner in Touche Ross & Co., Charlered Accountants. He was appointed to the Board of Reuters Limited in 1984 and is one of the three Directors who were nominated to the Board of Reuters Holdings

Mr. Murdoch, 53, is Chief Executive of The News Corporation Limited and Chairman of its subsidiary, News International plc. Together with members of his family he controls 46.3 per cent, of the issued share capital of The News Corporation Limited. He has been a Director of Reuters Limited since 1979 and is one of the three Directors who were nominated to the Board of Reuters Holdings by NPA Nominees.

Mr. Suich, 46, has been since 1980 Chief Editorial Executive of John Fairfax and Sons Limited, the Sydney newspaper publishing division of John Fairlax Limited, an Australian media group. He had previously been Editor of the National Times and the Sydney Sun Herald. He is a Joint Managing Director of AAP. He was appointed to the Board of Reuters Limited in 1984 and is one of the two Directors who were nominated to the Board of Reuters Holdings by AAP.

Mr. Turnbull, 56, has been a Joint Managing Director of AAP since 1972 and Chairman since 1983. He is a Director of The Herald and Weekly Times Limited. He has been a member of the Australian Newspapers Council since 1972 and Chairman of the Australian Section of the Commonwealth Press Union since 1974. He has been a Director of Reuters Limited since 1974 and is one of the two Directors who were nominated to the Board of Reuters Holdings by AAP.

Mr. Winfrey, 52, has been a Managing Director of East Midland Allied Press plc since 1962 and is a substantial shareholder in that company. He is a past Chairman of the Weekly spaper Advertising Bureau. He has been a Director of PA since 1976 and Chairman since 1981. In 1979 he was elected to the Board of IFRA, the European newspaper industry research organisation. He has been a Director of Reuters Limited since 1981 and is one of the three Directors who were nominated to the Board of Reuters Holdings by PA.

Mr. Wriston, 64, has been Chairman of Citicorp and Citibank, N.A. since 1970. He is a Director of Citicorp, Citibank, N.A., Bechtel Investments, Inc., The Chubb Corporation, General Electric Company and J.C. Penney Company, Inc. He will reach Citicorp's mandatory retirement age of 65 on 3rd August, 1984. He was appointed to the Board of Reuters Holdings in May 1984 and is one of the three B Share Directors.

Executive Directors

Each of Reuters Executive Directors has been engaged in various aspects of Reuters business for substantially all his business career.

Mr. Renfrew, 55, joined Reuters as a trainee in 1952 and spent the next 12 years in a rariety of reporting, editing and management posts in economic and general news in London, Southeast Asia, Southern Africa, the United States and Belgium. In 1964, Mr. Renfrew assumed world-wide responsibility for Reuters then newly-established computer services. From 1969 to 1971 he served as Deputy Manager of Reuters Economic Services and from 1971 to 1981 as Manager of Reuters North America. He became a Deputy General Manager in 1974, was appointed to the Board of Reuters Limited as a Joint Deputy Managing Director in 1976 and was appointed Managing Director and Chief Executive in 1981.

Mr. Nelson, 55, joined Reuters as a trainee in 1952 and served as a financial journalist in London and as a journalist and manager in Asia. In 1960 he was appointed Joint Manager of Reuters Economic Services. Mr. Nelson became Manager of Reuters Economic Services in 1952, an Assistant General Manager of Reuters in 1967 and General Manager in January 1976. He was appointed to the Board of Reuters Limited as a Joint Deputy Managing Director in June 1976 and

became Deputy Managing Director in 1981. Mr. Judah, 53, is a chartered accountant. He joined Reuters in 1955 and became Assistant Chief Accountant in 1956 and Secretary and Chief Accountant in 1960, In 1967 he was appointed Assistant General Manager and in 1981 he was appointed to the Board of Reuters Limited as Finance Director. He is also responsible for the administration of Reuters pension funds and the legal, property and management systems departments of

Bether Street

15.375

Management and employees

Other senior executives of Reuters Limited

Mr. Kevin Garry, 47, became Assistant General Manager in 1974. He is responsible for Reuters staff policy, including industrial relations. He joined Reuters as a trainee in 1960 and worked as a correspondent in Pans and Ankara. In 1964 he became Reuters Chief Representative in Japan, in 1968 Reuters Chief Representative in France and in 1969 General News Sales Manager for Europe. From 1970 until 1974 he served as Pacific Manager, General

Mr. Michael Reupke, 47, who became Editor-in-Chief in 1978, is responsible for co-ordinating Reuters editorial operations throughout the world. He joined Reuters as a trainee in 1962 and served in a variety of reporting and editing posts for the next eight years. He was appointed Assistant Manager (Europe) of the General News Division in 1970, Chief Representative in West Germany in 1973 and Manager, Latin America in 1975.

Mr. Peter Holland, 40, is Manager of Reuters Overseas. He joined Reuters in 1968, having had experience as a journalist with several British newspapers. His early work for Reulers was as a journalist, but in 1972 he assumed responsibility for a special news service provided to the cable television industry in North America. He became Deputy European Manager, Reuters Economic Services, in 1975 and, after further European management positions, was appointed to his present responsibilities in 1983.

Mr. Peter Job, 42, is Manager of Reuters Asia, Australia and New Zealand. He joined Reuters as a trainee in 1963 and spent his tirst eight years with Reuters in journalistic positions,

finishing as Assistant to the Editor. He has subsequently held management posts in Latin America and Asia and assumed his present responsibilities in 1983.

Mr. Patrick Mannix, 41, is International Technical Manager, responsible for the coordination of all Reuters technical planning and development. He began his career with Shell Petroleum, and joined Reuters in 1970. He was responsible for co-ordinating the operational and technical aspects of the Reuter Monitor project and introducing the original Reuter Monitor system into certain financial centres. He became Deputy Technical Controller in 1975, Technical Operations Manager in 1979, European Technical Manager in 1981 and assumed his present position in 1983.

Mr. Christopher Thomas, 43, is Financial Controller. Before joining Reuters in 1974 as Financial Manager, Head Office, he was Chief Accountant of The Solicitors' Law Stationery Society Limited, having previously been a partner in a firm of Chartered Accountants. In 1975, he was appointed Deputy Financial Controller of Reuters and was appointed to his present responsibilities later that year.

Mr. David Ure, 36, is Manager of Reuters Europe. He joined Reuters as a trainee in 1968. In 1974, he became Product Planning Manager, Reuters Economic Services, and was responsible for supervising the development of various video retrieval services. He was appointed Project Development Manager in 1979 and had responsibility for the Reuter Monitor Dealing Service project. He was appointed to his present post in 1983.

Mr. André-François Villeneuve, 39, is Manager of Reuters North America. He also chairs the Marketing Co-ordination Committee which co-ordinates Reuters international marketing

strategy. He joined Reuters as a trainee in 1967. After periods as a journalist in Brussels and in management in Latin America, he was in 1972 appointed Assistant Marketing Manager, Reuters Economic Services, and undertook the initial market research which led to the specification and marketing of the Reuter Monitor Money Rates service and News Retrieval services. He became Trading Manager in 1977, Manager of Reuters Europe in 1981 and Manager of his present area

<u>Employees</u>

At 31st December, 1983 Reuters had approximately 3,600 full-time employees, 1.910 of whom were located in Europe, 780 in North America, 650 in Asia, Australia, New Zealand and the Middle East and 260 in Latin America, Africa and Israel. Of such employees, approximately 50 held senior management positions, 600 were journalists, 350 were engaged in other editorial operations, 1,280 were engineers and technical personnel, 360 were engaged in sales and marketing and the balance were clencal, administrative and other staff. In addition to its full-time employees, Reuters had at 31st December, 1983, approximately 1,000 part-time journalists. Reuters devotes substantial resources to recruiting and training its employees and

attributes a high value to the quality of its staff. Employees in various parts of Reuters operations in a number of major countries are represented by trades unions. Reuters considers its relationships with employees throughout the world to be generally satisfactory.

Proceeds of the issue

The aggregate net proceeds to be received by Reuters Holdings from the issue of B Shares under this Offer for Sale and the U.S. Offering, after deducting the proportion of the estimated expenses payable by Reuters Holdings, are estimated to be £46 million at the Minimum Tender Price and assuming the maximum number of B Shares are sold. In addition, the maximum net proceeds to be received by Reuters Holdings from the issue of up to 3,000,000 B Shares under the Special Employee Ofter are estimated to be £2.2 million. These net proceeds will be used to expand Reuters operations, primarily by the acquisition of assets or the acquisition of, or investment in, other companies, principally located in the United States and Europe, which are engaged in communications or electronic information delivery or have data bases which complement or augment those of Reuters. Reuters is exploring a number of opportunities in these areas. However, it has no agreements, commitments or understandings with respect to any acquisitions or investments. Pending application as described herein, these net proceeds will be held in short-term investments.

Net assets, working capital and capital expenditure

Net langible assets of Reuters at 31st December, 1983 as shown by the proforma summarised consolidated balance sheet of Reuters Holdings included in the Accountants' report amounted to £63.5 million. Taking into account the net proceeds of the subscription of B Shares at the Minimum Tender Price and the maximum net proceeds to be received from the issue of B Shares under the Special Employee Offer, the adjusted proforma net langible assets would have amounted at that date to approximately £112 million.

Subscriptions for Reuters services are primarily paid in advance and it maintains a relatively low level of stocks. Accordingly, Reuters generally has no significant requirements for working

Reuters capital expenditure has primarily related to subscriber terminal equipment and central computer and communications equipment. During 1981, 1982 and 1983, Reuters capital expenditure amounted to approximately \$27.6 million, \$44.6 million and \$36.3 million. respectively. In 1984 Reuters currently expects that its expenditure on subscriber terminal equipment, central computer and communications equipment and other capital assets will amount to approximately £68.5 million. Reuters expects to fund such capital expenditure out of cash flow from operations.

Over the past two years the cash flow from operations has significantly exceeded Reuters capital requirements. Prior to 1982 Reuters financed subscriber terminal equipment mainly by selling equipment that it had manufactured or purchased to unaffiliated leasing companies, which then rented the equipment directly to Reuters subscribers. Capital requirements for central computer and communications equipment and other assets were financed with internally generated funds and medium-term borrowings. The increase in the level of internally generated funds in 1982 enabled Reuters to cease selling subscriber terminal equipment to unaffiliated leasing companies. It then purchased most of the equipment rented direct to subscribers by those companies. This increased capital expenditure in 1982 by approximately £10 million, in

addition Reuters repaid its outstanding medium-term bank borrowings.

As a result of the improvement in its financial position, Reuters also began in 1982 to pay dividends to its shareholders, payments for 1981, 1982 and 1983 amounting to £1.9 million, £5.8 million and £7.8 million respectively.

At 31st December, 1983 Reuters had cash and short-term investments of approximately £39 million and approximately £22.1 million invested in direct finance leases, which are obligations of or guaranteed by United Kingdom banks or their subsideries or enterprises owned by H.M. Government. As a result of Reuters billing practices, payments from subscribers are concentrated mainly in the early part of Reuters financial year. Short-term borrowings are mainly used towards the end of Reuters financial year when expenditure is generally heaviest. At 31st December, 1983 approximately £31.7 million of short-term borrowings having a weighted average interest rate of 9.4 per cent, per annum were outstanding. Such borrowings had been substantially reduced during the first quarter of 1984 and at 30th March, 1984 amounted to £6.1 million when cash and short-term investments amounted to £63.3 million. Reuters has available short-term bank facilities of approximately \$8.4 million and uses from time to time short-term money market lacilities in London.

Trading record

The following table sets out, for each of the last five years, an analysis of Reuters revenue and expenses, operating profit before interest and net income after tax:-Year ended 31st December

	100 51000 510 55001150					
	1979	1980	1981	1982	1983	
	£,000	£.000	£,000	£.000	£'000	
Revenue						
Financial and business information						
services	60,424	72,834	110,078	159,149	215,092	
Equipment sales	6,485	7,749	15,155	2,320	883	
Media news services	9,400	9,512	11,978	13,052	15,635	
Dealing service and other additional	-	_	-	-		
products and services			1,593	5,392	11,020	
•						
Total	76,309	90,095	138,804	179,913	242,630	
Expenses						
Production and communications						
costs	60.077	69.355	101,094	117,652	152,722	
Selling and marketing expenses	3,919	5,292	6,896	11,682	16,355	
Administrative expenses	8.353	11,283	14,439	16,414	22,684	
Total	72,349	85,930	122,429	145,748	191,761	
						
Operating profit before interest	3,960	4,165	16,375	34,165	50,869	
					*	
Net income after interest and tax	1,326	1,917	15,666	20,385	31,307	
Dougrassings and by 10 per popi						
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Revenue increased by 18 per cent., 54 per cent., 30 per cent. and 35 per cent. in the years 1980, 1981, 1982 and 1983 respectively. Sales of financial and business information services increased by 21 per cent., 51 per

cent , 45 per cent, and 35 per cent, in the years 1980, 1981, 1982 and 1983 respectively and accounted for 89 per cent. of total revenue in 1983. The great majority of sales of financial and business information services derives from those delivered via the Reuter Monitor system. Foreign exchange and money market services are by far the largest component of these services. Revenue growth has arisen from significant increases in the number of subscribers, including subscribers in countries not previously served by the Reuter Monitor system, the

number of additional video terminals installed for existing subscribers and the increase in the range of services offered. Reuters decision in 1982 to cease sales of subscriber terminal equipment to unathliated leasing companies substantially reduced revenue growth from equipment sales in that year.

Revenue from media news services increased by one per cent., 26 per cent., nine per cent. and 20 per cent. in 1980, 1981, 1982 and 1983 respectively and accounted for six per cent. of

The Reuter Monitor Dealing Service and certain interface devices and data manipulation systems were first introduced in 1981 and provide a small but increasing proportion of revenue. Revenue from these sources amounted to £11 million or five per cent. of total revenue in 1983.

Revenue growth in all Reuters geographical areas has been primarily attributable to tnancial and business information services. However, over the last five years the rates of growth in revenue from these services have been greater in Reuters Asia, Australia and New Zealand and Reuters Overseas than in Reuters Europe and Reuters North America. In Reuters Asia, Australia and New Zealand and Reuters Overseas, growth has been primarily attributable to the provision of financial and business information services to new subscribers. In Reuters Europe, growth during the last three years has been largely due to the installation of additional terminals for, and provision of additional services to, existing financial and business subscribers. In Reulers North America, growth has been due both to the provision of services to new subscribers and to additional terminal installations for, and provision of additional services to, existing subscribers. At various times in the last five years prices have been increased significantly in particular countries. However, particularly since 1981, Reuters revenue growth has not depended to any substantial extent on price increases.

Reuters total expenses increased during the last five years, but at slower rates than revenue. Production and communication costs increased by 15 per cent., 46 per cent., 16 per cent. and 30 per cent. respectively in 1980, 1981, 1982 and 1983. These increases primarily reflect the expansion of Reuters world-wide communications network, including, particularly during the last three years, the establishment and operation of additional data centres, increased line costs resulting from the increased volume of data transmitted between data centres, and the direct provision of field service to an increasing number of subscribers. The development and introduction of the Reuter Monitor Dealing Service contributed to the increases in 1980 and 1981 Substantial increases in depreciation charges arising from the increased level of capital expenditure (including Reuters purchase in 1982, from unaffiliated leasing companies, of equipment rented to Reuters subscribers) contributed to the increases in 1982 and 1983. Selling and marketing expenses increased by 35 per cent., 30 per cent., 69 per cent. and 40 per cent. respectively in 1980, 1981, 1982 and 1983. Administrative expenses increased by 35 per cent., 28 per cent., 14 per cent. and 38 per cent. respectively in 1980, 1981, 1982 and 1983. The increases in both categories of costs reflect the expansion of Reuters business activities, which required increases in personnel and other general and administrative expenses.

Operating profit before interest, expressed as a percentage of revenue, improved from five per cent. in 1979 to 21 per cent. in 1983. A substantial proportion of Reuters costs is related to its reporting and communications network, and a significant portion of these does not vary directly with the number of subscribers to Reuters services. The expansion of Reuters business activities permitted the allocation of such fixed and semi-fixed costs over a larger revenue base.

In 1982 and 1983 Reuters generated net interest income (including income from leasing) amounting to £2.4 million and £4.1 million, respectively. In 1979, 1980 and 1981 Reuters had a minimal net interest expense.

Reported taxes on profit decreased from 62.3 per cent. in 1979 to 43.3 per cent. in 1983. Substantial changes to the basis of corporation tax in the U.K. were proposed in the Chancellor of the Exchequer's Budget Statement on 13th March, 1984 which are now included in the Finance (No. 2) Bill presently proceeding through Parliament, Under these proposals U.K. mainstream corporation tax rates will be reduced from 52 per cent. to 35 per cent, in stages over the next three years and first year allowances on eligible capital expenditure will be reduced from 100 per cent, to a reducing balance writing down allowance of 25 per cent, in stages over the same period. As a result, Reuters has provided in full for deferred taxes as it can no longer be demonstrated with reasonable probability that there would be no reversal of the timing differences relating to the excess of tax allowances over the depreciation charge. This provision has been made at 35 per cent., being the rate at which the deferred liability is expected to crystallise. As the first of the following tables indicates, with the exception of 1981 a signific proportion of such taxes in each year consisted of a provision for deferred tax. Based on management's current estimate, this will become payable in the years shown in the second lable

	1979	1980	1981	1982	1983
	£,000	£'000	£.000	£,000	£,000
Tax charge	2,189	1.770	1,015	16,345	23,946
	415	441	•		
Tax paid	413	441	1,862	4,170	9,146
Provision for deferred lax	1,774	1,329	(847)	12,175	14,800
Deferred townell become countrie on follows:	***************************************		-		
Deferred tax will become payable as follows:—					
1987	831	_	_	_	
1988	943	457	_		_
1989		872	(847)	5,475	_
1990	_		`-'	6,700	2,200
1991		_			7,000
1992					5,600
	1,774	1,329	(847)	12.175	14.800
		_			

cent., 717 per cent., 30 per cent, and 54 per cent, in the years 1980, 1981, 1982 and 1983

Reuters receives its revenue in 56 currencies and incurs expenses in a much larger number of currencies. The principal currencies for Reuters are the pound sterling, the U.S. dollar, the Swiss franc and the German mark. Outside the United Kingdom, a significant proportion of Reuters subscriber contracts is expressed in U.S. dollars, Swiss francs and German marks, irrespective of the country in which a subscriber is located. In terms of relative percentages of revenue and expenditure, the greatest disparities arise in the case of the pound sterling and the Swiss franc. Reuters 1984 budget projected that approximately 16 per cent, of revenue would be received and approximately 36 per cent. of expenditure would be incurred in pounds sterling and approximately 13 per cent. of revenue would be received and approximately four per cent. of expenditure would be incurred in Swiss francs. In recent years, Reuters has pursued an active policy of hedging on a regular monthly basis in terms of pounds sterling at least 40 per cent., and often more, of its forecast net cash flow in non-sterling currencies for the following twelve month period. The marked strengthening of the pound sterling against other currencies in 1980 reduced reported revenue and expenses in that year. Since 1980 the pound sterling has tended to fall against most of the other principal currencies in which Reuters revenue is received and its expenditure incurred, thereby contributing to increases in reported revenue and expenses. Reuters increased profit margins have substantially reduced the relative sensitivity of its operating income to currency fluctuations.

Profit forecast for 1984

Reuters expects revenue to increase in 1984 at a somewhat lower rate than the 30 per cent. and 35 per cent. growth rates expenenced in 1982 and 1983, respectively, due primarily to a reduction in the rate of revenue growth in Reuters Asia, Australia and New Zealand from the very high rates recorded during the period of Reuters initial penetration of the markets in that area. However, in monetary terms the growth in revenue, both overall and in Reuters Asia, Australia and New Zealand, is expected to be similar to that experienced in 1983. During 1984 revenue growth is expected to be weighted toward the second half of the year, reflecting particularly increases in demand from existing European subscribers for additional services and erminals, anticipated instaltations of recently-introduced data manipulation systems and growth of the Reuter Monitor Dealing Service.

Costs are expected to increase in 1984 at about the same rate as revenue generally but without the same weighting toward the second half, reflecting particularly the substantial completion of a deliberate build-up of Reuters central editional, technical and marketing intrastructure in North America which began in 1983. Accordingly, as a percentage of revenue,

costs are expected to be higher during the first half of 1984 than in the second half of the year.

The Directors of Reuters forecast that, in the absence of unforeseen circumstances and on the bases and assumptions under "Assumptions and letters relating to the profit forecast" Reuters profit before tax for the year ending 31st December, 1984 will be in the region of £70 million. In the light of the anticipated trends in revenue and costs discussed above, the Directors expect that in 1984 profit before tax will show a significantly lower rate of growth during the first half and a significantly higher rate of growth during the second half than that for the year as a

The rate of lax on profit in 1984 is expected to be broadly comparable to that for 1983 which was 43 per cent. On this basis and on the basis of profit before tax in the region of £70

million, earnings in 1984 would be in the region of £40 million (10.29p per share).

The figure for earnings is before provision for any minority interest attributable to the E Shares and E Preference Shares of Reuters Limited held by executives. The figure for earnings per share has been calculated on the basis of a pro forma weighted average number of shares outstanding during 1984 of 388,509,982 which takes into account the maximum of 32,000,000 B Shares now being offered for cash and the maximum number of B Shares which may be issued in exchange for E Shares and E Preference Shares of Reuters Limited held by executives on the basis of the arrangements referred to in "Statutory and general information - E Shares and Directors' and other interests".

Dividends

Future dividends, which will be consistent with Reuters policy of retaining a substantial proportion of its earnings for use in its business, will be dependent upon Réuters earnings, inancial condition and other factors. The Directors intend, in the absence of unforeseer circumstances and on the assumption that profit before tax is in the region of £70 million, to recommend the payment of total dividends of 2.5p per share (equivalent to approximately 3.57p inclusive of tax credit) for the year ending 31st December, 1984 consisting of 1p per share (exclusive of tax credit) to be paid as an Interim dividend in or about October, 1984 and 1.5p per share (exclusive of tax credit) to be paid as a final dividend in or about May, 1985. These dividends would represent a gross yield of 1.98 per cent. at the Minimum Tender Price and their net cost would be covered approximately four times by forecast earnings,

The future

Reuters intends to continue with the strategy on which its recent growth has been based concentrating its marketing efforts towards large trancial and business institutions having a substantial need for comprehensive real time information. The four main elements of this strategy

To expand the Reuter data bases Reuters intends to continue to develop new regional and national data bases, both real time and historical, building upon its existing international data bases. Reuters intends

to add new data bases both by acquisition and by internal development. 2. To maintain an efficient world-wide communications network Reuters intends to continue its research and development work on rapid and

cost-effective means of delivering information to its subscribers. Further expenditure will be

made on Reuters technical centres and subscriber terminals to increase the capacity and reduce the response times of the Reuter network. 3. To increase the communication and transaction facilities offered to subscribers Reuters plans to increase the communication and transaction facilities it offers and in particular to expand the Reuter Monitor Dealing Service both geographically and by

increasing the number of markets for which dealing services are offered. 4. To expand the range of product enhancements, particularly for the purpose of data manipulation

Reuters has recently introduced three new products: a position-keeping system, an arbitrage facility and a colour graphics service. Reuters will continue to develop its own product enhancements and may make acquisitions or acquire additional distribution rights

As regards its four geographical areas, Reuters believes that in Reuters Europe the main opportunities lie in providing additional sophisticated products and services to existing customers and lower cost services for subscribers requiring less comprehensive services. In Reuters Asia, Australia and New Zealand expansion is likely to come both from sales of new products to existing customers and from sales to new customers, with an increasing concentration on providing local and regional services. In Reuters Overseas, Reuters intends to continue to concentrate on providing services tellored to the local markets. In Reuters North America, the intention is to build on Reuters existing strengths in international money rates and commodities, to strengthen its databases in U.S. domestic money rates and to extend the range

The Directors believe that Reulers has substantial opportunities for further profitable growth and view the future of Reuters with confidence.

Assumptions and letters relating to the profit forecast

The Directors' profit forecast for 1984 set out herein has been made on the basis of management accounts for the first two months of the year and management projections for the remainder of the year and on the assumption that none of the following will have any material effect on the business of Reuters either directly or, through its effect on Reuters suppliers or subscribers, indirectly:---

- Any change in U.K. or overseas legislation or regulations;
- Any industrial disputes, political disturbances, wars or natural disasters; Any new international agreement fixing currency exchange rates;
- Any changes in the structures of banking, financial and commodities markets or any disruption in their supply of information to Reuters;
- Any adverse changes to the existing arrangements with the world's telecommunications
- Any major interruption to Reuters supplies of equipment or components;
- Any unexpected major technological developments involving Reuters in high levels of either unbudgeted capital expenditure or obsolescence of equipment;
- Any changes in interest, inflation or currency exchange rates as compared with the levels
- Any variation in the incidence of bad debts from the levels experienced in recent years; Any changes in the rates and bases of taxation world-wide, other than changes already

The Directors of Reuters Holdings have received the following letters in connection with the profit forecast for 1984:-

We have reviewed the accounting policies and calculations of the forecast of profit before tax of Reuters Holdings PLC and its subsidiaries, for which you as Directors are solely responsible, for the year ending 31st December, 1984 contained in the Offer for Sale

of B Ordinary (Limited Voling) Shares in Reuters Holdings PLC to be dated 15th May, 1984.

are concerned, has been properly compiled on the basis of the assumptions made by the Directors and set out in the said Offer for Sale and is presented on a basis consistent with

the accounting policies normally adopted by Reuters Limited.

In our opinion, the profit forecast, as far as the accounting policies and calculations

Yours faithfully,

BINDER HAMLYN

Chartered Accountants

The Directors, Reuters Holdings PLC.

Dear Sirs.

8 St. Bride Street, London EC4A 4DA.

Year ended 31st December

The Directors Reuters Holdings PLC. 15th May, 1984.

New Court. St. Swithin's Lane, London EC4P 4DU

30 Gresham Street

London EC2P 2EB.

15 May, 1984.

We have discussed with you and with Binder Hamlyn the forecast of profit before tax of Reuters Holdings PLC and its subsidiaries for the year ending 31st December, 1984 to be included in our Offer for Sale of B Ordinary (Limited Voting) Shares in Reuters Holdings PLC to be dated 15th May, 1984 together with the bases and assumptions on which the

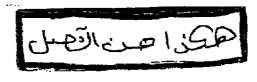
We consider that the profit forecast (for which you as Directors are solely responsible) has been made after due and careful enquiry.

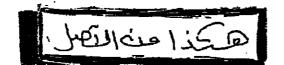
Yours faithfully for S. G. WARBURG & CO. LTD.

forecast has been prepared.

J. R. S. Boas Director

Yours very truly. for N. M. ROTHSCHILD & SONS LIMITED A. J. Alt Director





Introduction

Paterial Paris

A key factor in Reuters business for many years has been the guarantee of independence and integrity provided by the Reuter Trust Agreement. Under this Agreement PA, NPA, AAP and NZPA agreed to use their best endeavours to preserve the Reuter Trust Principles (See "Historical background"). The new structure, contained in the provisions of the Memoranda and Articles of Association of Reuters Holdings and of the Founders Share Company, and in the Deed of Mutual Covenant, is intended primarily to ensure that the Reuter Trust Principles continue to be complied with, following this Offer for Sale and the U.S. Offering.

Under the Deed of Mulual Covenant the A Shareholders agree to exercise the voling rights attaching to their A Shares and Reuters Holdings and the Founders Share Company agree to use their respective best endeavours to ensure that the Reuter Trust Principles are complied with The Directors of Reuters Holdings are obliged to have due regard to the Reuter Trust Principles and Reuters Holdings agrees to indemnify the Founders Share Company against, inter alia. expenses incurred by the Founders Share Company in enforcing the provisions of the Deed of Mutual Covenant and the Reuter Trust Principles.

The principal rights attaching to each of the three classes of share capital in Reuters Holdings and the manner in which voting rights may be exercised under the new structure are as

Founders Share

The Founders Share has no right to receive any dividend or other distribution, apart from repayment on a winding-up of the sum of £1. The Founders Share may only be owned by the Founders Share Company and in certain circumstances confers upon the Founders Share Company special voting rights.

First, if the Reuler Trustees believe that any person, together with any associates, is seeking to obtain or has obtained control of Reulers Holdings, a majority of the Reuter Trustees may require the votes attaching to the Founders Share to be exercised. "Control" means the ability to control the exercise of 30 per cent, or more of the votes which may be cast on a poll at general meetings of Reuters Holdings. In such circumstances, the Founders Share Company has the right, at any general meeting of Reuters Holdings, to cast sufficient votes to pass any resolution supported by, and deteat any resolution opposed by, the Founders Share Company,

Secondly, any two Reuter Trustees may require the votes attaching to the Founders Share to be cast against any resolution which would after any of the Articles of Association of Reuters. Holdings relating to the Reuter Trust Principles and the rights of the Founders Share, in such circumstances, the Founders Share confers upon the Founders Share Company the right to cast Sufficient votes to defeat that resolution.

A Shares

A Shares are owned by PA (41.67 per cent.), AAP (13.89 per cent.), NZPA (2.77 per cent.) and the NPA members (41.67 per cent.) and ownership is restricted to PA, AAP, NZPA and members of NPA Nominees. Members of NPA Nominees are subject to the restrictions on ownership of 15 per cent, or more of any class of share contained in the Articles of Association of Reuters Holdings

A Shares have the same rights to dividends and other distributions (including on a winding-up) as 8 Shares, but may only be held by the A Shareholders, and in normal circumstances confer the right on a poli to four votes per share at general meetings. The Articles of Association of Reuters Holdings and the Deed of Mulual Covenant provide that all A Shares must be voted by a proxy as one bloc at general meetings of Reuters Holdings, in accordance with the decisions of shareholders holding a majority in number of the A Shares. The NPA members have agreed that all A Shares owned by them are to be voted as a bloc in accordance with the decision of a majority in number of the A Shares owned by them.

The A Shareholders have agreed in the Deed of Mutual Covenant to exercise the voting rights attaching to the A Shares held by them so as to ensure that eight Directors of Reuters Holdings are elected pursuant to nomination by, or removed at the request of, A Shareholders according to the number of A Shares held by them.

The Deed of Mutual Covenant also provides that, at any time after 14th May, 1987, A Shares may be converted into Convertible A Shares on a one for one basis with the agreement of A Shareholders holding not less than 75 per cent, of the Non Convertible A Shares, unless the effect of such conversion would be to reduce the total number of A Shares in issue to 20 per cent. or less of the total issued share capital of Reuters Holdings immediately following this Offer for Sale, the U.S. Offering and the Special Employee Offer, Conversion of A Shares into Convertible A Shares may also be effected on a one for one basis with the consent of all holders of Non-Convertible A Shares. Convertible A Shares may be converted into B Shares on a one for one basis at the option of the holder at any time.

The A Shares will initially comprise approximately 25 per cent, of the issued share capital of Reuters Holdings following this Offer for Sale, the U.S. Offering and the Special Employee Offer, and, in normal circumstances, will confer approximately 58 per cent, of the total number of votes which may be cast on a poll at general meetings of Reuters Holdings.

B Shares

B Shares have the same rights to dividends and other distributions (including on a winding-up) as A Shares, but confer the right on a poll to one vote per share at general meetings. Holders of B Shares, however, have the exclusive right to vote on the election and removal of the three B Share Directors of Reuters Holdings.

The Articles of Association of Reuters Holdings impose restrictions upon the ownership by any one person of 15 per cent, or more of the 8 Shares. See "Statutory and general" information - Articles of Association of the Company".

The B Shares will initially comprise approximately 75 per cent, of the issued share capital of Reuters Holdings following this Offer for Sale, the U.S. Offering and the Special Employee Offer, and, in normal circumstances, will confer approximately 42 per cent, of the total number of votes which may be cast on a poll at general meetings of Reuters Holdings.

The following table sets out the information known to Reuters Holdings with respect to han 2 5 ner cent of t companies owning directly to this Offer for Sale .---

Fleet Holdings P.L.C	106
Associated Newspapers Holdings p I c	10.5
News International pic	95
Read International P.L.C	90
AAP.	86
Swallow Investments Ltd. (an affiliate of Warburgs)	64
The Guardian and Manchester Evening News plc	53
The Daily Telegraph Limited	5.0
International Thomson Organisation PLC	48
S. Pearson & Son pic	4 4
Lie de d'Alexande de Control de C	28

The A Shareholders

The following are brief summaries of the principal activities and shareholding structures of each of the A Shareholders:---

Present structure of ownership and control

The principal activity of PA is the provision of news and news photographs to the provincial and national press and broadcasting companies in the U.K. and the Republic of Ireland. The voting shares in PA are owned by provincial newspapers (or their athliates) in the U.K. and the Republic of Ireland and corifer one vote per share, subject to certain restrictions. As a result of the corporate reorganisation, Reuters Holdings owns certain non-voting shares in PA

which have only a minimal economic value. The Directors of PA decide the manner in which PA elects to exercise the voting rights. attaching to its A Shares at general meetings of Reuters Holdings. PA is a party to the Deed of Mulual Covenant and its Directors will accordingly be obliged to make such election in accordance with its provisions

NPA Nominees

NPA Nominees is a company which holds A Shares on behalf of its members. These, or their attiliates, are the publishers of national daily newspapers and national Sunday newspapers and a London evening newspaper.

The shares in NPA Hominess may be held only by companies (or their affiliates) which publish a national daily or Sunday newspaper or which publish a daily or Sunday newspaper in London. The shares confer upon each holder a right to one vote, except that, on a pot on a resolution to admit a new member of NPA Nominees or to after the Articles of Association of NPA Nominees, each holder has one vote for each A Share held on its behalf.

The NPA members have agreed, pursuant to the Deed of Mulual Covenant, to determine by majority vote the manner in which NPA Nominees elects to exercise the voting rights attaching to the A Shares held by it at general meetings of Reuters Holdings. Under the Deed of Mutual Covenant, no NPA member may, however, exercise voting rights in respect of more than 25 per cent of the A Shares held by NPA Nominees whilst there are at least four members of NPA AAP

Following a reorganisation in 1983 the sole activity of AAP is the ownership of its shares in Reulers Holdings. The members of AAP must comprise the same companies as are members of AAP Services, whose principal activity is the acquisition and dissemination in Australia and elsewhere of news and information of public, commercial and general usefulness and inferest

There is only a single class of share in each of AAP and AAP Services. Members of AAP and AAP Services must be members of a group of companies which includes a publisher of a daily newspaper circulated in certain major cities in Australia. Such groups must always hold shares in the same proportion in both companies.

The Directors of AAP (who are appointed directly by the members of AAP on a basis related to each member's shareholding) decide the manner in which AAP elects to cast the voting rights attaching to its A and B Shares at general meetings of Reuters Holdings. AAP and AAP Services are parties to the Deed of Mutual Covenant and AAP's Directors will accordingly be obtiged to make such election in respect of AAP's A Shares in accordance with its provisions.

NZPA NZPA is in the course of a reorganisation which, it is expected, will result in the acquisition by NZPA Services of the business of NZPA. This business consists of the acquisition and dissemination in New Zealand and elsewhere of news and information of public, commercial and general usefulness and interest. The precise basis of shareholding in the reconstructed company has yet to be determined, but the six targest newspaper publishing groups in New Zealand will (either directly or through wholly owned subsidiaries) control at least 80 per cent, of the voting power in NZPA and NZPA Services after the reorganisation.

NZPA will retain all its A Shares. The B Shares which NZPA will hold following this Offer for Sale and the U.S. Offering may be transferred to members of NZPA in proportion to their shareholdings in NZPA following its reorganisation

NZPA and NZPA Services are parties to the Deed of Mutual Covenant and NZPA's Directors will accordingly be obliged to elect to cast the voting rights attaching to NZPA's A Shares at general meetings of Reuters Holdings in accordance with its provisions.

Interests in the A Shareholders

The following table sets out the voting interests in PA, NPA Nominees and AAP known to Reuters Holdings with respect to companies owning directly or through subsidiaries more than five per cent, of the voting interests in PA, NPA Nominees or AAP.

> Voting interest in A Shareholder NPA

	PA	Nominees	AAP
	Co.	270	**5
Fleet Holdings P L C	3.1	21.1	_
Associated Newspapers Holdings p.l.c. (1)	13 4	114	_
The News Corporation Limited (2).	02	22 7	120
Reed International P.L. C	55	14.0	
The Guardian and Manchester Evening News pilic.	10	9.7	
The Daily Telegraph Limited	10	11 4	-
International Thomson Cigarisation PLC	. 118		
S Pearson & Son plc.	106	1.6	
United Newspapers plo :	7.7.		
The Herald and Weekly Times Limited group	_	<u> </u>	428
John Fairlax Limited group	_	_	428
Accomplised Namenanare Holdmor of Let holde the intere	et in DA a	want its wholly a	numed

 Associated Newspapers Holdings p.I.c. holds the interest in PA direct. Its wholly owned subsidiary Associated Newspapers Group pilic. ("ANG") owns the 11-4 per cent. voting interest in NPA Nominees, ANG also owns 50 per cent, of Evening Standard Compa Limited, which has a 4-9 per cent, voting interest in NPA Nominees

(2) News International pic is a subsidiary of The News Corporation Limited, which owns 22 per cent, of the share capital of Independent Newspapers Limited, one of the six largest newspaper publishing groups in New Zealand.

The Founders Share Company

The Founders Share Company is a company limited by guarantee consisting of 14 Reuter Trustees who constitute both its members and its Directors. Four of the Reuter Trustees are nominated by PA, four are nominated by RPA Nominees at the direction of NPA, one is nominated by AAP Services and one is nominated by NZPA Services. The remaining four Reuter Trustees (the "Reuter D Trustees") have been nominated by the other Reuter Trustees jointly, but are enlitted collectively to nominate their own successors subject to the prior approval of the other Reuter Trustees, which approval may not be unreasonably withheld or delayed.

Reuter Trustees

The Reuter Trustees assumed office on 9th May, 1984. However, all Reuter Trustees other than the Reuter D Trustees had served in a similar capacity under the Reuter Trust Agreement. Mr. Brewster, 64, is the London partner of the United States law firm of Winthrop, Stimson, Pulnam & Roberts. He became counsel to that firm in New York in 1981 upon leaving the post of United States Ambassador to the United Kingdom, Prior to his appointment as Ambassador, he was President of Yale University from 1964 to 1977. Between 1950 and 1960, he was Professor of Law at Harvard Law School. He is a Reuter D Trustee

Mr. Clarke, 60, has been Chairman and Managing Director of the Couner Press (Holdings) Limited group of companies since 1956. He was a Director of PA from 1970 to 1980 and served. as Chairman from 1974 to 1975. He was a Director of Reuters Limited from 1974 to 1978. He is a past president of the Newspaper Society and of the British Printing Industries Federation. He was appointed a trustee under the Router Trust Agreement in 1982 and is now a Router Trustae. nominated by PA

Mr. Cole, 55, was appointed a Joint Deputy Managing Director of International Thomson Organisation PLC in 1980, having been an executive in various group companies since 1956. He was a Director of PA from 1972 to 1982 and served two terms as Chairman from 1976 to 1978. He was a Director of Reuters Limited from 1976 to 1981. He was a member of the Press Council from 1976 to 1980, has been a member of the Council of the Newspaper Society since 1974 and was President in 1982. He was appointed a trustee under the Reuter Trust Agreement in 1983. and is now a Reuter Trustee nominaled by PA

Mr. Freeman, 69, was Chairman of London Weekend Television from 1971 to 1984. He had previously been British Ambassador in Washington from 1969 to 1971 and British High Commissioner in India from 1965 to 1968. From 1951 to 1965, he worked for the New Statesman and was Editor for the last five years. He was a Labour Member of Parliament from 1945 to 1955. He is a Reuter D Trustee.

Lord Hartwell, 73, has been the Chairman and Editor-in-Chief of The Daily Telegraph since 1956 and of the Sunday Telegraph since its formation in 1961, both newspapers are owned by The Daily Telegraph Limited. He was Managing Editor of the Financial Times from 1937 to 1939. He was a Director of Reulers Limited from 1960 to 1963. He was appointed a frustee under the Reuler Trust Agreement in 1963 and is now a Reuler Trustee nominated by NPA Nominees.

Mr. Linacre, 63, is Deputy Chairman and Chief Executive of United Newspapers pic and has been a Director since 1969. He is Chairman of York shire Post Newspapers Limited and α Director of Yorkshire Television Limited and Trident Television plc. He was a Director of PA from 1967 to 1974 and served as Chairman from 1970 to 1971. He was a Director of Regions Limited. from 1970 to 1974. He has been a member of the Council of the Newspaper Society since 1966 and was President from 1978 to 1979. He was appointed a trustee under the Reuter Trust Agreement in 1974 and is now a Reuter Trustee nominated by PA

Sir Keith Macpherson, 63, has been Chairman of The Herald and Weekly Times Limited since 1977, having been Chief Executive since 1975. He was President of the Australian Newspapers Council from 1968 to 1970. From 1969 to 1970 he was Chairman of the Media Council of Australia. He is the Reuter Trustee nominated by AAP Services.

Lord McGregor of Durns, 63, has been Professor of Social Institutions in the University of London since 1964 and Chairman of the Advertising Standards Authority since 1980. He was a Fellow of Wolfson College and a Director of the Centre for Socio-Legal Studies at the University of Oxford from 1972 to 1975. He has served on a number of official committees including the Countryside Commission from 1968 to 1980, the Legal Aid Advisory Committee from 1969 to 1978 and, as Chairman of the Royal Commission on the Press from 1974 to 1977. He is a Reuter

Lord Malthews, 64, has been Chairman of Fleet Holdings P.L.C. since its formation in 1982. as the parent company of the demerged publishing activities of Trafalgar House Public Limited. Company and has been Chairman of Express Newspapers pilic, since 1977. He is Chairman of Evening Standard Company Limited. He was Chief Executive of Trafalgar House until 1983 and is the Deputy Chairman of that company. He was appointed a trustee under the Reuter Trust Agraement in 1980 and is now a Reuter Trustee nominated by NPA Nominee

Mr. Morgan 55, has been the Director of the Press Council since 1980, having worked for it in various capacities since 1977. From 1970 to 1977, he was General Secretary of the National Union of Journalists, which he served in an official capacity from 1962. From 1970 to 1978, he was a Counsellor on the Bureau of the International Federation of Journalists. He is a Reuter D

Viscount Rothermere, 58, joined Associated Newspapers in 1951 and has been Chairman of Associated Newspapers Holdings pilic isince 1983 and of its wholly owned subsidiary Associated Newspapers Group pito since 1971. Viscount Rothermere holds shares in Associated Newspapers Holdings pito, and he also holds a substantial interest in Daily Mail and General Trust PLC of which he is Chairman, Daily Mail and General Trust PLC owns 49,95 per cent. of Associated Newspapers Holdings pilic. Viscount Rothermere was a Director of Reuters Limited from 1969 to 1979. He was appointed a trustee under the Reuter Trust Agreement in

1979 and is now a Reuter Trustee nominated by NPA Nominees.
Mr. Smith, 63, has been Chairman and Managing Director of United Publishing and Printing Company of Rotorua since 1973. He is President of the Newspapers Publishers Association of New Zealand and has been a Director of NZPA since 1973. He is the Reuler Truslee nominated

Mr. Thomton, 54, became Chairman of Mirror Group Newspapers Limited earlier this year. From 1980 to 1983 he was a Director of Abbey National Building Society, having been appointed Chief General Manager in 1979 and having been Chief Solicitor since 1967. He is a Reuter Trustee nominated by NPA Nominees.

Mr. Wallwork, 65, has been a Director of Daily Mail and General Trust PLC since 1982. having been Managing Director of Northcliffe Newspapers Group Limited, a wholly owned subsidiary of Associated Newspapers Holdings p.f.c., 4rom 1972 to 1982. He was a Director of PA from 1969 to 1978 and served as Chairman from 1973 to 1974. He was a Director of Reuters. Limited from 1973 to 1976. He has been a member of the Council of the Newspaper Society. since 1967 and was President from 1977 to 1978. He was appointed a trustee under the Reuter Trust Agreement in 1978 and is now a Reuter Trustee nominated by PA.

Share capital of Reuters Limited

The share capital of Reuters Limited consists of Ordinary Shares and Preference Shares (all of which are owned by Reuters Holdings) and E Shares and E Preference Shares (approximately 68 per cent. of which are owned by Reuters Holdings). Reuters Holdings owns approximately 97 per cent, of the issued share capital of Reuters Limited. The Executive Directors and certain executives of Reuters own E Shares and E Preference Shares in Reuters Limited, which do not confer any voling rights. The E Preference Shares held by the Executive Directors and executives are partly paid.

The dividend rights of the E Shares in Reuters Limited are related to the dividends paid on the B Shares in Reuters Holdings. The Executive Directors and executives holding E Shares and E Preference Shares have the right to require Reuters Limited to put the Reuters Limited Employee Share Scheme Trust (the "Employee Trust") in funds to purchase such shares at their market value. See "Statutory and general information --- E Shares and Directors and other interests"

Taxation

Taxation of dividends

When paying a dividend on its Shares. Reuters will be liable to remit to the Inland Revenue an amount of advance corporation tax ("ACT") at a rate which is related to the basic rate of income tax currently set at 3/7 of the dividend paid. The ACT related to a dividend currently equals 30 per cent. of the sum of the cash dividend plus the ACT (the "Gross Dividend"). For shareholders resident in the U.K., the ACT paid is available as a tax credit, which

individual shareholders who are so resident may set off against their total income tar liability or, in appropriate cases, reclaim in cash Whether holders of B Shares who are resident in countries other than the U.K. are entitled

to a refund from the Inland Revenue of a proportion of the tax credit in respect of dividends on such shares depends in general upon the provisions of any double tax convention or agreemen which exists between such countries and the U.K. Conventions or agreements that contain dividend provisions which confer on residents of those countries rights to at least part of the tax credit currently available to an individual who is resident in the U.K. presently exist between the U.K. and, among other countries, Australia, Austra, Canada, Denmark, Finland, France, Ireland, Japan, Luxembourg, the Netherlands, Norway, Spain, Sweden and Switzerland

Holders of B Shares who are not resident in the U.K. should consult their own tax advisers on the possible applicability of such provisions, the procedure for claiming repayment and what relief or credit may be claimed in the jurisdiction in which they are resident for such tax credit. Taxation of capital gains

U.K. capital gains tax (or for companies, corporation tax on chargeable gains) generally applies only to individuals resident or ordinarily resident and to companies resident in the U.K. and to persons not so resident but carrying on a trade in the U.K. through a branch or agency. It is currently levied at an effective rate of 30 per cent. Whether any relief or credit for such U.K. liability is available against liabilities imposed by other jurisdictions on disposals of B Shares will depend on the laws of such jurisdictions and the terms of any relevant double tax convention or

Capital transfer tax

The B Shares are assels situated in the U.K. and so will be liable to U.K. capital fransfer tax whether the holder is a person domiciled in the U.K. or not. Whether any relief or credit for such liability is available against estate or gift laves imposed by other foreign jurisdictions will

depend on the laws of such foreign jurisdictions and the terms of any relevant double tax. convention or agreement.

Stamp duty

To the extent applicable, the Selling Shareholders will pay any stamp duly arising from the sale of the B Shares offered by this Offer for Sale. Subsequent transfers of B Shares will be subject to a one per cent, stamp duty which will be calculated on the purchase price or market. value of the B Shares. If the transfer is by way of gift (or other non-arm's length method) the stamp duty will be calculated on the market value of the shares transferred.

Properties

Reuters owns twe treehold properties, the most significant of which are its technical centre at Hauppauge, Long Island, New York, which at 31st December, 1983 had a net book value of £2,854,000, and residential properties in Singapore and France then valued at £854,000 and £250,000 respectively. Reuters has a large number of leasehold premises throughout the world none of which has a value which is significant in relation to its assets as a whole

The following is a copy of a report to the Directors of Reuters Holdings PLC, S. G. Warburg & Co. Ltd. and N. M. Rothschild & Sons Limited made by Binder Hamlyn, Chartered Accountants, the auditors and reporting accountants.—

Reuters Holdings PLC, S. G. Warburg & Co. Ltd., and

The Directors

London EC4A 4DA. 15th May, 1984.

N. M. Rothschild & Sons Limited.

Reuters Holdings PLC was established to acquire the issued share capital of Reuters Limited as part of a corporate reorganisation. The effects of the reorganisation are reflected in the proforma information set out in note 1 below.

The tinancial information presented below in respect of Reuters Limited and its subsidiaries ("Reuters") except where stated is based on the audited financial statements prepared in accordance with accounting principles generally accepted in the U.K. after making such adjustments as we consider appropriate. The only adjustment to the consolidated financial ments of Reuters is that caused by the taxation changes set out in note 5 below.

We have examined the financial information set out below in accordance with generally accepted auditing standards in the U.K. We have been auditors of Reuters throughout the period and none of our reports has contained any audit qualifications. The information presented consists of Reuters consolidated income statements, consolidated source and use of funds statements and consolidated statement of shareholders' equity for each of the years ended 31st December, 1979 to 1983 and consolidated balance sheets at 31st December, 1982 and 1983, and the balance sheet of Reuters Holdings-PLC at 6th April, 1984 set out in note 23 below in our opinion the triangular information shown below, which has been prepared under the

historical cost convention with the exception that certain langible fixed assets are stated at an appraised valuation, gives a true and fair view of the state of affairs of Reuters at 31st December. 1982 and 1983 and of its income and source and use of funds for each of the years ended 31st December, 1979 to 1983 and of the state of affairs of Reuters Holdings PLC at 6th April, 1984.

The Directors have decided that it is not possible for Reuters to produce meaningful current cost accounts as they consider that the principles relating to net current replacement costs contained in Statement of Standard Accounting Practice No. 16 cannot be applied realistically to the business of Reuters. In arriving at this decision they have considered the difficulty in ascertaining, with any degree of accuracy, the current replacement cost of computer equipment used in the business given the rapid rate of technological development and price reductions for equipment of comparable capability experienced in recent periods. We concur

The audited balance sheet at 6th April, 1984 was prepared for the company which has become Reuters Holdings PLC pursuant to Section 5 of the Companies Act 1980 for

Accountants' report

re-registration as a public company. With this exception there have been no audited accounts of Reuters Holdings PLC or any of its subsidiaries since 31st December, 1983 The financial information set out below does not comprise full accounts within the meaning will be delivered to the Registrar of Companies following the annual general meeting on 8th June, 1984.

Accounting policies

The principal accounting policies, which have been consistently applied in preparing the tnancial information in this report, are as follows.—

Accounting basis The consolidated financial statements have been prepared under the historical cost

convention with the exception that certain tangible fixed assets are stated at an appraised

Basis of consolidation The consolidated financial statements of Reuters include ---

(a) The financial statements of Reuters Limited and its subsidiaries, which are made up to 31 st December.

(b) Reuters share of the results and capital and reserves (under the equity method) of its related companies, which are those companies not being subsidiaries in which Reuters Limited holds 20 per cent, or more of the voting equity share capital. The financial statements of the related companies are made up to 31st December each year with the exception of Visnews Limited where the financial statements are made up to 31st March and the subsequent results to 31st December have been taken from unaudited

management accounts.

Revenue comprises the folal amount of subscriptions net of discounts to news and financial services applicable to the year

Foreign currency translation

Sterling is considered to be Reuters functional currency on a world-wide basis Fixed assets are translated into sterling at the rates ruling on the date of acquisition. Current assets and liabilities denominated in a foreign currency are translated into sterling at the

foreign exchange rates ruling at the balance sheet date. Revenue and expenses in foreign currencies are recorded in sterling at the rates ruling at the dates of the transactions. All gains and losses arising on translation are reported as part of

the operating profit for the year Profits and losses on forward exchange contracts are intended to hedge a portion of Reuters contractual net cash flow commitment for the subsequent year and, accordingly, are reported as part of the operating profit for the year in which the contracts mature.

Depreciation is calculated to write down the assets to their residual values in equal

instalments on the following bases — Freehold land. Freehold buildings ...

Communications equipment, printing

Leasehold property

Over the expected useful life which is normally 50 years Over the term of lease. Over the expected operational

and office equipment life which in most cases is five Motor vehicles. .. Over four or five years

Stocks are valued at the lower of cost and net realisable value.

Cost is calculated on a first in first out basis by reference to the invoiced value of supplies and the attributable costs of bringing stocks to their present location and condition. Net realisable value is the estimated market value less selling costs. Short-term investments

Profits and losses on financial lutures contracts are reported as part of the operating profit for the year in which the contracts are sold or mature

Interestion certificates of deposit is calculated at the yield at which the certificate was purchased and is reported as part of the operating profit over the life of the certificate. Certificates of deposit are stated in the balance sheet at the lower of cost plus accrued interest or market value.
Income received from short dated U.K. Government securities together with the change in

their market value during the year is reported as part of the operating profit. They are stated in the balance sheel at the lower of cost plus accrued capital appreciation or market value Finance leases

Income from finance leases reported as part of the operating profit is calculated on the investment period method. The net investment in the leases is stated in the batance sheet at the total minimum lease payments receivable less finance charges allocated to future periods

Research and development Research and development expenditure is charged against the operating profit in the year in which it is incurred

Provision is made at the appropriate rates for deferred taxation arising from the excess of capital allowances over depreciation charged and other timing differences where it is considered that the potential liability will crystallise in the foreseeable future

Reuters Limited and subsidiaries

1933

65,148

184,890

1981

£.000

24,440

27,980

6 883

7,143

12,047

343

4.018

6.049

6.049

27,988

66.977

1980

£:000

221

3,228

3.346

6.034

1.644

366

Gross profit on sale of equipment relates to equipment for use in Reuters

information retneval services which was sold at a profit to leasing companies which

then entered into leases with Reuters subscribers. Sales of equipment to unrelated

expenditure of foreign currencies are reflected in operating profit and are included in the accounts to which they relate. However, it is not practicable to quantity such

1979

£.000

424

(696)

(272)

Gains and losses on foreign currency transactions involving the receipt and

1980

£.000

(701)

(228)

Interest income includes £347,000 in 1983 relating to direct finance leases

entered into by Ahmanthus Leasing Limited, a subsidiary. This has been treated as

interest income since leasing is used as a means of investing surplus funds outside

The following items were reflected in operating profit before interest:-

Al 31st December 1982

£.000

35,701

16,679

52,380

3,120

16.815

9,992

9.664

19,656

6,500

7,326

9.115

9,115

39,404

105,292

1982

€,000

248

6,193

5.490

18,073

870

1982

£.000

2,699

2,365

(334)

1983

Year ended 31st December

1981

410

196

4,277

4.643

7.929

4.859

(1,073)

Year ended 31st December

1981

2000

658

(662)

(4)

£'000

826

£.000

15,983

64,700

17,688 6.148

23,836

13,241

11.859

25,100

8.619

1,576

10,195

61.059

61,059

96.625

184,890

1983

£.000

330

9,575

15,308

(942) (2,564)

40,137

105,202

			Year ende	ed 31st Dec	етвег	
	Notes	1979	1980	1981	1982	1983
		£,000	£.000	00072	£ 000	£.000
Revenue	2	76,309	90,095	138,804	179,913	242,630
Production and communications costs		60,077	69,355	101,094	117,652	152,722
Selling and marketing expenses		3,919	5,292	6,896	11,582	16,355
Administrative expenses		8,353	11,283	14,439	16,414	22,684
		72,349	85,930	122,429	145,748	191,761
Operating profit before interest	3	3,960	4,165	16,375	34,165	50,869
Not interest income/ (expense)	4	(272)	(228)	(4)	2,365	4,148
Profit before related companies and						
taxes on profit		3,688	3,937	16,371	36,530	55,017
Share of profit/(losses) of related						
companes		(173)	(250)	310	200	236
Profit before lases on profit		3,515	3,697	16,681	36,730	55,253
Taxes on profit	5	2,189	1,770	1,015	16,345	23,946
Net income after tax		1,326	1,917	15,666	20,385	31,307
Dividends	6		_	1,924	5,817	7,799

Consolidated balance sheets 19-2 Roles £ 099 83 691 Current assets ---Short-term investments

22,838 37,772 2,102 26 632 78,910 Total current assets Other assets — Finance lease receivables... 1,650 1,079 43 3,385 22,239 105 292 184 890 Total assets Liabilities and shareholders' equity Current liabilities:—
Bunk borrowings ... 1 542 31,401 6 635 5,617 31,678 40,154 19,791 3,919 Sink porrowings Appounts payable and other liabilities 45,755 85,542 34,200 12,400 Deferred takes... Shareholders' equity:— Share copilal 95 1,500 *8*65 62,688 29,130

Consolidated source and use of funds statements							
	Year ended 31st December						
	1979	1980	1981	1982	1983		
	£,000	5,000	2:000	5.000	£ 000		
Source of funds				-			
Profit before laxes on profit	3,515	3,687	18,681	36,730	55,253		
Takes on profit	(2,189)	(1,770)	(1,015)		(23.945)		
Net income	1,326	1,917	15,666	20,385	31,307		
Share of (profits) / tosses of related companies	173	250	(310) 7,92 9	(200) 18.073	(236) 18,308		
Depreciation	4,838 1,774	6.034 1.329	(847)	12,175	14,800		
Deterred taxes	(118)	(,32 3 (284)	213	(234)	. 14,000 R		
Funds provided by operations	7,993	9,246	22.657 17	50,199 61	64,187 638		
Proceeds from sales of fixed assets and investments.	212	1.004	595	557	441		
Proceeds from sales of their assers and investments							
	8,205	10,250	23,269	50,817	65,266		
Use of tunds				** ***	DC 000		
Purchase of fixed assets	5,990	10,871	27,629	44,631	36,302		
Investment in finance leases	1,186	(996)	(2,451)	7.393	19,407		
Net decrease / (notease) in loans	1,100	/290)	1.924	5.817	7,799		
Advance Corporation Tax recoverable			825	1.668	(813)		
Motorice Corporation 1 by 12004c10000 transferment	7,176	9.875	27,927	59,509	62,775		
		375	(4,658)	(8.692)	2.491		
Increase. (decrease) in working capital	1,029		(4,030)	(0.032)	2,431		
Changes in working capital increase/(decrease)							
Current assets:							
Cash and short-term investments	1,190	1,303	357	4,438	30,139		
Accounts receivable, prepayments and accrued			r co=	6.077	12.275		
prome	2,886 2,463	339 4.004	5,527 (9.212)	(303)	(136)		
Slocks of spare parts	4,400	4,004	(3,414)	(ana)	,		
Bank borrowings	(2,427)	(1,819)	6,473	(941)	(29,836)		
Accounts payable and other liabilities	(2,817)	(3,521)	(3,610)	(10,148)	(8,753)		
Corporate taxes payable	(266)	69	(2,269)	(3,922)	(3,096)		
Ewidends payable		_=	(1,924)	(3,893)	1,898		

Notes to the consolidated financial statements

Specific assets ...

Specific assets ..

Total.....

Specific assels

Corporate head office

Total,

Reuters total

Common assets

Tolal.....

Specific assets

Common assets

Common assels

Operating profit before interest

5,000

149

2,922

2.506

4.838

1,518

Specific assets Common assets

Specific assets

Directors' remuneration ...

Auditors' remuneration...

expenditure ...

Equipment rental

expenditure...

equipment...

Forward exchange

Foreign currency

(loss)..

(loss).

Interest income...

Depreciation of fixed

Gross profit on sale of

translation net gain/

contract net gain/

Common assets

Total.

Common assets

£.000

184.954

119,742

1,563

62,688

65,212

184.954

1983

Year ended 31st December

£0.004 £0.006 £0.045 £0.056 £0.085

£ — £ — £0 005 £0.016 £0.021

339.7 339.7 351.4 364.6 367.9

1979 1980 1981 1982

473

Commitments and contingent liabilities are set out in notes 18, 19 and 21.

Total shareholders' equity......

Reuters Limited and Subsidiaries — proforma summarised consolidated balance sheet

Earnings and dividends (net of the related tax credit) per share have been

calculated on a protorma basis by dividing net income after tax (on an actual

ordinary shares in Reuters Holdings PLC which would have been issued in each

year assuming that all issued Reuters Limited capital stock had been converted

into ordinary shares and after giving effect to the reorganisation during 1984 but

prior to the public flotation. The effect of issues of E Shares 10 per cent, paid are

basis) and dividends of Reuters by the weighted average number of issued

Assets

Total assets....

Shareholders' equity:---

Revaluation reserve.....

Total shareholders' equity.....

Protorma earnings and dividends per share

reflected in the year in which they were made.

Proforma earnings

Proforma dividends

Proforma weighted

shares in issue

(milions).....

per share ...

Liabilities and shareholders' equity

Retained earnings

Total habilities and shareholders' equity

Total habitus and shareholders' equity

	Total		Revalu-		
	share		ahon	0.1.1.1.1.1	
			reserve		Tof
	(<u>nole 15</u>)	account	(<u>nois 10)</u>	eamings	107
	£.000	£.000	C.000	5.000	£.00
Balance 31st December, 1978	90	53		8,363	8,50
Net income after tax	. –	_	-	1.326	1.32
Balance 31st December, 1979	90	53		9.689	9.83
Nel income after fax				1,917	1,91
Balance 31st December, 1980	90	53		11.606	11.74
Net income after tax		- 55		15.656	15.66
Capitalisation issue of fully				13,000	. 5,00
paid E Shares	. 5	731		(736)	_
Issue of E Shares to				•	
executives 10 per cent.					
paid		17			1
Dividends: final proposed				(1,924)	(1.92
Balance 31sl December, 1981	95	801		24,612	25,50
Net income after tax			_	20,385	20,38
Issue of E Shares to					
executives 10 per cent.					_
paidbied	_	61	_		. 6
Dividends: final proposed				(5.817)	(5,81
Balance 31st December, 1982	95	862	_	39,180	40,13
Net income after fax	_	_	_	31,307	31,30
Issue of E Shares to					
executives 10 per cent. paid	_	638	_		63
Surplus on revaluation of			865		86
property		_	803	(3.880)	
final proposed		_	_	(3.919)	
• •					
Balance 31st December, 1983	95	1,500	865	62,688	65.14

in preparation for the public flotation of Reuters Holdings PLC a reorganisation of the corporate structure of Reuters Limited was undertaken The existing A, B and C Stock of Reuters Limited was converted into A, B and C Shares of Ω 1 each for every Ω 1 of stock previously held, and Reuters Limited's authorised share capital increased to 500,000 shares of £1 each A horus issue of four fully paid A. B. Cland F. Shares for each registered share was then made by capitalising £392,000 of the reserve ansing from the revaluation of freehold residential properties. The original holdings of fully paid A, B, C Shares and E Shares 10 per cent. paid were then converted to fully paid A, B, C Preference Shares and E Preference Shares 10 per cent. paid, and the rights attaching to the E Shares modified so that they ce sed to be equity share ca and carried a preferential right to dividends related to the dividends paid on B Ordinary (Limited Voting) Shares in Reuters Holdings PLC.

ulers Holdings PLC then acquired the whole of the issued share capital of Reuters Limited with the exception of a 2.63 per cent, minority interest resulting from certain E Preference Shares 10 per cent, paid and fully paid E Shares in Reuters Limited which continue to be held by executives (see note 18). The reorganisation has been accounted for on a merger rath

acquisition basis, taking advantage of the merger relief provisions in Sections 36 to 40 of the Companies Act 1981. In the proforma summarised consolidated balance sheet of Reuters Holdings PLC the investment in Reuters Limited is carned at a valuation based on Reuters Holdings PLC's interest in the underlying net assets of Reuters at 31st December, 1983 as adjusted by the proceeds of £64,000 from certain holders of £ Shares paying up their uncalled amounts.

The proforma summansed consolidated balance sheet of Reuters Holdings PLC and subsidiaries at 31st December, 1983 is set out below. This is a

consolidation of the Reuters Holdings PLC proforma summarised balance sheet at 31st December, 1983, including £50,000 of cash relating to the initial issue of shares required for re-registration as a public company, and the Reuters Limited and subsidiaries proforma consolidated balance sheet at 31st December, 1983. both of which are set out in summary form below incorporating the effects of the subsequent reorganisation as if it had occurred at 31st December, 1983.

proforma summarised consolidated balance sheet

Authorised

£.000

10,500

42,000

52,500

In addition to the share capital shown above one Founders Share with a £1

Al 31st December, 1983

tully paid

£.000

10,005

25,141

£.000

185,004

119,742

36.146

27,399

1,717

185,004

At 31st December, 1963

£.000

63,495

63.545

36,146

27,399

63,545

50

Costs incurred

Total...

RO

Total.

Reuters total Specific costs.

Specific costs

Soecific costs

Specific costs .

Specific costs

Common costs.

Corporate head office

Specific costs

Common costs

Common costs

Common costs....

Common costs

Reuters Holdings PLC and Subsidiaries—

Liabilities and shareholders' equity

Current liabilities and deterred taxes.

Shareholders' equity:---

A Ordinary Shares (10 pence par

B Ordinary (Limited

Voting) Shares (10 pence par

Relained earnings

Total shareholders'

Reuters Holdings PLC—

Shareholders' equity

Total shareholders' equity...

Investment in Reuters Limited .

Assets

Cash

Total assets

Share capital...

Minority interest

(all distributable)

Total liabities and shareholders

proforma summarised balance sheet

Share capital:

Assets

exceed the historic earnings per share on the proforma basis shown above. **Business and geographical information** Reuters primary business is the collection and distribution of news and other

information. Reuters operations are organised for marketing and manage purposes into four geographical areas, Reuters Europe ("RE"), Reuters Asia Australia and New Zealand ("RA"), Reuters North America ("RNA"), and Reuters Overseas ("RO"), covering Africa, Israel and Latin America, Revenue in such areas was as follows —

In accordance with Statement of Standard Accounting Practice No. 3 no

details of fully difuted earnings per share have been given because they would

	Year ended 31st December					then entered into leases with Reuters subscribers. Sal
	1979	1980	1981	1982	1983	leasing companies ceased during 1982.
•	000.3	5.000	£.000	£.000	5:000	Gains and losses on foreign currency transaction expenditure of foreign currencies are reflected in ope
RE	48,904	54,948	77,634	93,689	122,113	in the accounts to which they relate. However, it is not
RA	11,610	15,751	26,940	41,066	62,822	amounts.
RNA	11,128	13,425	23,872	31,687	40,710	
RO	4,667	5,971	10,358	13,471	16,985	4. Net interest income/(expense)
	76,309	90,095	138,804	179.913	242,630	Year ende
						1979 1980

Costs and related assets

The table of Costs incurred set out below reflects at costs arising within a geographical area regardless of the extent to which they are attributable to revenue earned in that or other areas and should not be used as a means of evaluating geographical prolitability. Similarly the lable of Assets reflects only their location regardless of the extent to which they relate to the operations of that or

Certain costs and assets relate closely to the operations of the area in which they are incurred or located. These have been classified as specific costs and assets in the tables below and relate to subscriber equipment, sales administration

and selling activities.
A substantial proportion of Reulers costs and assets relates to its reporting nd communications network which is used to gather news and financia information from all over the world. The raw data is then collated and edited for use in Reuters information services which are distributed to subscribers throughout the world over the same communications network, information contributed in one area may therefore be received by subscribers in other areas and so generate income within those areas. The costs of operating this network, and the assets which are used in its operation, are therefore for the common benefit of Reuters as a whole, and due to the interactive nature of Reuters services it is not possible to allocate them on any meaningful basis. These common costs and assets relate to all other costs and assets which cannot be specifically identified with the operations of a single area, including central data centre operations and maintenance.

international and national communications lines, reporting and editorial services, research and development, and corporate administration.

Corporate head office assets shown in the table of Assets consist principally of short-term investments and finance lease receivables

1981

£,000

9,875

58,260

68.135

14,533

16,657

2.869

19,345

22.214

9,122

10,358

5,065

5,065

16,104

106,325

122,429

*The allocation between specific and common costs for 1981 is unaudited.

Year ended 31st December

1982

000.3

17,213

59,410

76,623

20,603

24,366

4,159

24,275

28,434

1,974 9,698

11.672

4,653

4.653

27,109

118,639

145.748

1983

£,000

20,864

67.664

88,528

31,094

38,462

6,280

34,161

40,441

13,133

14,781

9,549

9,549

36,160

155,601

191,761

5. Taxes on profit		V	4-404-10-					
	Year ended 31st December							
	1979	1980	1981	1982	1983			
	£.000	000.3	\$1000	£.000	£'000			
U.K. corporation tax								
- current	_	_		3,868	8.777			
- deferred Credit for overseas	1,774	1,329	(847)	12,175	14,800			
taxation	_	_		(2.743)	(4.621)			
Overseas taxation	434	424	1,853	3,040	4.984			
	2,208	1,753	1,006	16,340	23,940			
Retated companies	(19)	17	9	5	6			
	2,189	1,770	1,015	16,345	23,946			
Substantial changes to proposed by the Chancellor of which are now included in the Parliament, in particular the re expenditure. These proposal tax charges set out above.	of the Exche Finance (N eduction of I	quer in the o. 2) Bill pre ax rates an	13th March sently proc d of allowa	, 1984 U.K eeding thro nces on cap	xugh ortal			

The application of Reuters accounting policies has resulted in full provision being made for deferred laxation. The effective rate of tax implicit in the tax charges above is, however, substantially less than the U.K. nominal corporation lay rate as the provision for deferred lax has been calculated using the liability method. This reflects the application of the lower 35 per cent, tax rates propose in the U.K. Budget to the years in which the liabilities are expected to crystallise,

Prior to 1981 lax retet given in respect of increases in closing stocks over opening stocks was provided as deferred lax. Following a change in the law during 1981, this became a permanent relief and so deferred taxes previously provided were eliminated.

onciliation to the U.K. nominal tax rates							
	Year ended 31st December						
	1979	1980	1981	1982			

	1979	1980	1981	1982	1983
U.K. nominal tax rate	52%	52%	52%	52%	50.5%
Taxes as shown in these	£.000	£.000	£.000	£.000	£.000
financial statements Corporation lax on pretax income at U.K. nominal	2,189	1,770	1,015	16,345	23,946
tax rate Difference	_1,828 361	1,917 (147)	8.674 (7,659)	19,100 (2,755)	27,903 (3,957)

Explained by:	Year ended 31st December						
U.K. deferred lax	1979	1980	1981	1982	1983		
provided at lower effective rate	(61) 62	(522) 64	(2,923) 301 (5,919)	(3,559) 529 (78)	(5,808) 876 (21)		
Restriction of overseas tax relief	191 159 361	173 138 (147)	851 31 (7,659)	353 (2,755)	996 · (3,957)		

Statement of Standard Accounting Practice No. 15 requires provision to be made for deterred tax except to the extent that it can be demonstrated with reasonable probability that there will be no reversal of timing differences. Follo the major changes to the structure of capital allowances available on eligible capital expenditure proposed in the U.K. Budget, Reuters could not continue to demonstrate that no such reversal would occur in the foreseeable future. These proposals provide for the 100 per cent. first year allowance at present available to be phased out in stages over the next three years, leaving only a 25 per cent, writing down allowance on the reducing balance from 1st April, 1986.

Prior to these changes no provision was made for deferred tax. An extraordinary charge was therefore made in the 1983 audited accounts relating to prior periods which, for the purposes of these tinancial statements, has been spread over the years to which such charge relates as shown by the table below.

		Year en	ded 31st D	ecember	
	1979	1980	1981	1982	1983
	£.000	£,000	£'000	5,000	£.000
Taxes shown in these					
financial statements	2,189	1,770	1,015	16,345	23,946
Taxes as shown in					
previously published					
U.K. results	<u>415</u>	<u>441</u>	<u>2.687</u>	<u>3.345</u>	<u>43,346</u>
Difference	1,774	1,329	(1,672)	13,000	(19,400)
Explained by:			_		
Deferred tax Deferred tax relating to	1,774	1,329	(847)	12,175	_
prior years	-	_		_	. (19,400)
Advance Corporation Tax					
previously (written of)/					
written back			<u>(825)</u>	<u>825</u>	
	1,774	1,329	(1,672)	13,000	(19,400)

The deferred lax charge relating to years prior to 1979 amounted to $\underline{\text{c4.969,000}}$ and has been adjusted against opening reserves for the purposes of

6. Dividends

	Year ended 31st Dece					
	1979	1980	1981	1982	1983	
	£:000	£.000	5,000	£.000	£:000	
lerim paid		_		_	3,880	
nal proposed			1.924	5,817	3,919	
			1,924	5,817	7,799	

propert

249 - games 40

Fixed assets Leasehold

5.000		Freehold	and	Communi-	Printing		
		land and	improve-	cations	and office	Molor	
4,471		buildings	ments	equipment e	outpment	vehicles	Total
(323)		€:000	£:000	000.3	£.000	£.000	£.000
4,148	Cost or -		2000	2 000	~ 000	2.000	2 000
_	valuation						
ases	31st December,						
ated as	1981	567	2,895	61,787	636	1,708	67,593
outside	Add-tions	2,091	581	39,022	1,591	1.346	44.631
	Disposals		_	(578)	(11)	(679)	(1,268)
	31st December,					<u> </u>	
	1982	2,658	3,476	100.231	2,216	2.375	110,956
	Additions/	-	-	•		-,	
1983	reclassifica-						
1900	bons	549	(1,585)	33,282	2,472	1,584	36,302
£'000	Surplus on						
2000	revaluation	852				_	852
8.777	Disposals			(315)	(149)	(656)	(1,120)
14,800	31st December,						
14,000	1983	4,059	1,891	133,198	4.539	3,303	146,990
(4.621)							
4.984							
-1	Depreciation and						
23,940	amounts writt	en of					
6	31st December,	-	054				
23.946	1981 Charged in the	7	351	27,463	222	530	28,573
40,010	year	3	252				
	Disposals		232	17,174	262	382	18,073
	31st December.		=	<u>(615)</u>	(3)	(347)	(965)
ludgel	- 1982	10	603	44,022	481	F.C.E	
gh _	Charged in the ve		w	44,022	401	565	45,681
al	reclassifications		19	17,043	576		40.000
t the	Revaluation	(13)		17,043	2/0	565	18,308
	Disposais	(,	_	(276)	(43)	(358)	(13) (677)
ision	31st December.			(2/0)	,	(300)	40/1)
ν	1983	102	622	60.789	1.014	772	20.000
hon	/			90,703	1,014	7/2	63,299
ity osed							
se.	Net book amount						
	31st December,						
ver	1982	2,648	2.873	56,209	1.735	1.810	&E 975
curing					1,133	1.810	65,275
ided	31st December,						
	1983	3,957	1,269	72,409	3,525	2.531	83,691

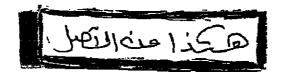
During 1983 Reuters carried out a review of its assets classification and as a result certain litems previously shown as leasehold improvements are now included as communications equipment.

The charge for depreciation in 1982 included a provision for accelerated deprecation of £5,556,000 in respect of communications equipment. During 1983 affernative uses were found for some of this equipment resulting in a reduction of approximately £1,200,000 in this provision which has been reflected in the depreciation charge for 1983,

The £4,059,000 cost or valuation of freehold land and buildings at 31st December, 1983 includes £1,104,000 of treehold residential property at an open market valuation (see note 16). For details of capital commitments see note 19.

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Notes to the consolidated financial statements

8. Short-term investments		
•	A1 31st E	ecember
•	1982	1983
	£.000	£ 000
Marketable U.K. Government securities	449	9,536
Marketable certificates of deposit	1,757	19,039
Foreign government securities	343	964
Deposits plus interest receivable	3	3,357
	2,552	32,696

Foreign government securities consist of funds invested in bonds issued by the Argentine Government denominated in U.S. dollars. These bonds provide a means of investing surplus cash held locally due to exchange control regulations currently in force. The open market value of these securities outside Argentina at 31st December, 1983 was £810,000 but as the funds can be utilised locally at full value no provision has been made.

Accounts receivable, prepayments and accrued

	At 31st December	
	1982	1983
	5.000	7.000
Titude accounts receivable	20,174	26,558
Less allowance for doubtful accounts receivable	(4,637)	(7,567)
	15.537	18,991
Prepayments	2.109	3 917
Hecoverable Value Added Tax	2,215	4.503
Accrued income	1,709	2,915
Other receivables	3.927	4,825
Current portion of hoance lease receivables (note 10)		2,621
	25,497	37,772
•		=

The allowance for doubtful accounts receivable represents a cumulative flaure provided over many years and at 31st December, 1983 it included £3,501,000 (1982,£2,021,000) in respect of amounts over one year old. This results from Reuters policy of relaining all doubtful items on its registers until they are proved to be precoverable.

10. Finance lease receivables

Rhinanthus Leasing Limited, a subsidiary, is the lessor of various types of data processing, communications, transportation, and mining equipment. All leases are classified as direct finance leases and have original lease terms of between 2 and 10 years.

The total minimum lease payments receivable are obligations of or are quaranteed by U.K. banks or their subsidiaries, or enterprises owned by H.M.

.The net investment in direct financing leases for the year ended 31st December, 1983 is comprised of the following -

	Q	(4QI) CBITCIB	· Qiai
	2:000	£:000	£.000
Minimum lease payments	•		
recewable	4,956	21,003	25,959
Less urreaksed income	(2,335)	(1,516)	(3,851)
Net investment in direct			
financing leases	2,621	19,487	22,108
•			=

Future minimum lease payments to be received under the terms of the leases for each of the years 1984 to 1988 are £4,956,000, £5,006,000, £4,880,000, £4,374,000, £3,756,000 and thereafter £2,987,000 aggregating to

11. Investments in related companies

	1982	1983	
	000 2	€ 000	
investments at cost	59	59	
Share of post acquisition earnings	790	1,020	
	849	1,079	
The following are the related compar	nias in which Baylars h	=====	
-			
Country of	Proportion at ·	Financial	

At 31st December

	Country of incorporation	Proportion at equity held	Financial year end
News Communications		F.,	-
Limited		50 0	31sl December
l'information SA	France	50 0 °	31st December
Vicnous Limited	England	33 1	Stef March

12. Bank borrowings

Al 31st	December
. 1982	1983
2 000	2:000
_	26,550
1.842	_5,128
1,842	31,678
	1982 £ 000 1.842

All 31st December, 1983 Reuters had unsecured short-term benowing facilities denominated in various currencies, the sterling equivalent of which was approximately £19,425,000, at interest rates generally ½ per cent to 1 per cent above the U.K. banks' "base lending rates." At 31st December, 1983 C5 128,000 of these tacklikes were utilised. In December, 1983, Reuters arranged additional unsecured short-term borrowings at interest rates between 9% per cent, and 9%, per cent , all repayable in January 1984, in the amount of £26,550,000. These loans have been sub-lantially repaid and have not not been refinanced

13. Accounts payable and other liabilities At 31st December

	1982	1983
	000 3	5.000
Trade accounts payable	13 442	14.763
Accruals	9 149	14 491
Subscriber payments in advance	3 500	3,760
Other payables	5,310	7,140
	31.401	40 154

14. Taxation

The provisions for corporate fax payable at 31st December, 1982 and 1983 were as follows ----

	1982	1983
	£.000	£:000
U.F. Corporation tax		
Advance Corporation Tax	2,493	3.343
Mainstream Corporation Tax	300	300
Overseas lakes	3 902	6,148
	6 695	9,791

The deterred taxation provisions and potential liabilities of 21 of December, 1982 and 1983 were as follows.—

_	1982		1983	
	Potential liability	Amount brovded	Potential liability	Amount
	£.000	£.000	0003	₹.000
Excess of tax allowances over depreciation	28.580	19,400	33 300 1 300	33 300 900
	28 580	19,400	34,600	34,200

Potential liabilities are calculated at the full U k normal tax rate applicable in that year. The amount provided reflects the application of the tower 35 per cent. lax rate proposed in the 13th March, 1984 U.K. Budget for the years in which the kabilities are expected to crystalise (see note 5).

At 31st December

15. Share çapital

		Issued a	tesq bne
	Authorised	1982	1983
	<u> </u>	- £	£
A Stock	37,500	37,500	37,590
B Slock	37.500	27 500	37,500
C Stock	15,000	15,000	15,000
C Shares (C1 par value)	22,500		_
DiShares (£1 par value)	37,500	_	
E Shares (C1 par value) E Shares 10 per centi paid (C1	5,005	5 005	5,00\$
par value)	4,995	195	297
value)	40 000	<u>_</u>	=
	200,000	95,000	95 302

There were no issues of any class of stock or shares other than E Shares. between 1st January, 1979 and 31st December, 1983 Issues of E Shares were as

	Par	Par value		Partiup		
	Fully paid	13 per cent paid	Ful√pad	10 per cent paid		
	£	£	£	3		
1981 Fully paid E Shares	5,005	_	5,005	_		
10 per cent paid E Shares .		1,212	_	121		
1982 10 per cent paid E Shares .	_	738	_	74		
1983 10 per cent poid E Shares .	_ —	1 023	_	103		
	5 005	973	5,005	297		
	===					

Al 31st December 1983 nine employees had outstanding options to purchase a further 90 E Shares 10 per centilipard, all the issue price of £6,450 per chare. 70 options were granted on 19th July, 1983 and 20 on 14th September, 1963. All options were exercised by 11th April, 1964. See also note 1 on the

Revaluation reserve

At 31st December, 1983 independent professional valuations on an open market basis were made of Reuters two freehold residential properties amounting $10\,\mathrm{K}^{3}\,\mathrm{104,000}$. The property in Singapore was valued by the Asian Appraisal Company Pie Ltd . at 2.640 non Singapore dollars equivalent to £854 000 at 31st December, 1983 exchange rates, compared to its original cost of £7,000. The property in France was valued by Jean Brunel and Thierry Lejeune. Notaires associes, at 3,009,000 French trancs equivalent to £250,000 at 31st December, 1953 exchange rates, compared to an original cost of £245,000. The properties are stated in the balance sheet at these valuations, and the difference of £865,000 between this and the book amount of £239,000 has been credited to the revaluation reserve and forms part of shareholders' equity.

Most employees are members of pension funds operated by Reuters in confunction with relevant public benefit schemes. All Reuters pension funds are subject to actuariat valuations at regular intervals and, with the exception of the swiss scheme, are considered by the Directors of Reuters Limited to be adequately funded to meet gension liabilities and contributions are charged against operating profits. The Swiss scheme coversionly a small number of reliced staff and is funded on a current-payout basis (see note 21)

U.K. Fund

The largest fund is a contributory defined-benefit fund operated in the U $\rm K_{\odot}$ as an "exempt approved scheme" under the provisions of Section 21 of the Finance Act 1980 and covers 45 per central employees world-wide. Reuters rotation shall also and covers apper centrol employees world-wide. Heuters contributes an amount equal to 9.525 per centrol employees basic satures annually to the fund and employees are required to contribute so per cent. The fund is assets are held and paramistered by Trustees. An actuarial valuation was carried out by Bacon 8. Woodrow as at 31st December, 1983. The liabilities in respect of service to that date and the assets at that date were as follows —

		7.000
Active members		31 126
Deleted pensioners		1,951
Pensioners		9 167
		42 244
Marked years, at more deserte		
Market value of investments	• ••	43,150

The labilities for active members were calculated on the basis of projected benefit levels assuming a compounded six per cent, growth in salaries. The valuation assumes a compounded seven per cent, rate of return on assets.

in the U.S., Reuters has established three defined contribution bands covering substantially all U.S. employees. The pension funds are non-contributory for employees and Reulers contributes an amount equal to between eight per cert and nine but cent of employees' salaters to the funds arroady. The funds are managed by independent trustees under limited instruction from employees.

Employee share plan

Prior to the corporate reorganisation under the terms of arrangement provided for in the Reuters Limited Employees' Share Scheme Trust (the "Trust") and the Articles of Association of Reuters Limited certain employees holding E Shares 10 per cent, paid of Reuters Limited have the right effectively to "put" E Shares held by them to the Trust. This right arises after varying periods of time and in the case of most employees one quarter of their holdings will be the subject of such rights after they have held them for one, three, tive and seven years respectively. The Trustees are also obliged to acquire within one year the E. Sharos. owned by employees who leave Reuters employment and it the Directors of Reuters Limited so direct, such shares in respect of which a transfer notice is given under the Articles of Association of Reuters Limited

Reuters is committed to provide the Trustees with sufficient funds to make such purchases, in the form of a loan or gift, under the ferms of the arrangements. The purchase price is to be determined by an independent valuation at the hme of sale. Based on the last issue price of \$5,450 per share, Reuters Limited would have been required to make \$19,176,000 available to the Trustees to fund the purchase of all such shares in issue at 31st December, 1983, if all such shares. in issue were to have been paid up at 31st December, 1983 Reuters would have

Following the corporate reorganisation of Reuters Limited (see note 1), each E Share 10 per cent paid is represented by one partly paid E Preterence Share and four fully paid E Shares. Of the 124 employees concerned, 120 have entered into "put and call options" in relation to their holdings of E Shares and parity paid E Preference Shares under which in the event of an employee being or becoming

entitled to put those shares to the Trust and upon paying up his E Preference Shares, the employee would be entitled to require Reuters Holdings PLC to c+Change his shares for B Ordinary (Limited Voting) Shares of Reuters Holdings PLC and Reulers Holdings PLC would, subject to certain limitations, be entitled to require the employee, to exchange his fully paid shares for B Ordinary (Limited Voling) Shares of Reuters Holdings PLC, on the same basis as that upon which the exchange of shares was effected in the reorganisation.

At 15th May, 1984 there are partly paid E Preference Shares and fully paid E Shares held by employees which are or could become the subject of put and call colion arrangements, which, if evercised, could result in the issue of a malumum of 9.750,825 B Ordinary (Limited Voling) Shares of Reulers Holdings and such rights are exercisable over the next seven years.

Capital commitments

	1982	1983
	1.000	1,000
Capital expenditure contracted for	3,209	5,760
contracted for	<u>2 766</u> 5,975	13 617 19 383
	5,975	19 383

At 31st December

20. Leased properties and equipment

Routers Hases certain properties and equipment under operating leases. which expite over the next 26 years.

Total rental expense for all operating leases was ____

			TENTER	ded 31st Qe:	er
				£ 000	
1973		 		4 763	
1980				63:3	
1981				8,240	
100				10,600	
1983.	•••			12,166	

Minimum payments for non-cancellable operating leaves for terms in excess

			 ٧.	ar ei	nd- d 3 kat De demi
					£ (00)
1364					0:3
1985					514
1956					5 367
1967					4.401
1986 .					3,809
Thereafter					20.523
Total minimum to	ase pa	aymenta			60,152

21. Contingent liabilities

Realers Limited is quaranter for the unlanded leader, of the periodolisations," rated in Switz-rand by the Parsonnel Foundation of Feater's SA with his 31st Fincember, 1983 amounted to approximately £634,000 (1962 -£598,000).

The New York highest beginning a condito thew north State transfers and characteristic framework as thought to my that of calculation adopted for the authorities be upfield the maximum additional highest to have and interest. in Juding related New York City transfiger tax would be approximately U.S. \$3,500,000 IS2,431,000 covering the period 1977 to 1983. On the bilers of innependent legal advice the Directors believe that the method adopted by the authorities is incorrect and accordingly no provision has been mady for this

Claims for shock relief by Reuters Emitted in respect of the years 1979 to 1952 have not yet been agreed with the inland foreence. Should these claims be shallowed the maximum additional liability to the is estimated to be $\Sigma 2.500,000$. On the basis of independent advice the Overstor, believe that no additional provision is required

22. Subsidiary companies

these were as follows —	Country of incorporation	the Regulation and Subsidiation
	-	12
Agencia Lalingamengana de		
Información Latin \$A	Litura	52
Compagnia Reiders Srl	Bally.	100
i`əmt∈Ruro Limited	En al ma	100
Edding	USA	:00
Monder Bena SA	Span	100
Monitor (International) SA	France	100
Moralor Trading Landed	i naland	100
Regier GrobH	C_{2} - t m $_{2}m_{2}$	100
Reuter Nederland BV	Netherlands	100
Reuter Portuguesa Limitado	Portugal	100
Reuters Europe Western Region SA .	France	100
Reulers News Agency (Hellas) AE	Carrege	100
Replets (Nigeria) Limited	Nigeria	100
Reulers SA	Switzerland	100
Reulers Serviçou Econômicos	• ····•	
Limitada .	Brazd	100
Rhinanthus Leasing Limited	England	100

23. Reuters Holdings PLC

The balance sheet of Hackremoo (No. 151) Univided ("Hackremoo") at 6th April, 1984 is summarised below, if was incorporated on 23th February, 1984 and on 11th April, 1984 changed its name and re-registered as a public company to ome Reuters Holdings PLC.

	- Al 6th April, 1984
	5,000
Cash at bank	<u>50</u>
Chare capital 500 000 authorised, issued and fully paid Ordinary	
Shares of 10p par value	<u>50</u>
No profit and loss account of Hackremoo has been pre	Sared and no

dividends have been paid.

Yours faithfully. INDER HAMLYN, Charlored Accountants,

Statutory and general information

A. Share capital

- (i) The Company was incorporated on 29th February, 1984 under the name "Recerence (No. 151) Lambed" with an authorised share capital of £100 divided into 180 shares of £1 each. Two shares of £1 each were issued to the
- (e) On 5th April, 1984 the authorised share capital of the Company was increased to £50,000 and even of the instead and unassed shares of £1 each were standarded into and tredesignated a citizance of 10p each. The subscribers to the Manageradium of hispoculon transferred their shares to two attained companies of Wartungs, and one such company subscribed for a further 499 980 Ordinary Shares for cash at par The Company also resolved to recreased as a public limited company and to change its name to Reuters Holdings PtC. and made certain attentions to its Manageradium and Articles of Association. On 11th April, 1984 the Company was trefered and a nuthic limited company. 1984 the Company was re-regulered as a public limited company.
- (m) On 2nd May, 1784 the Company increased its authorised share capital to its present size, revesionated its authorised and issued share capital idesignating the 500 (100 issued shares as B Shares) and adopted its present Articles of
- (κ). On 3rd May, 1984 Reviers Limited esseed by way of capitalisation of reserves to the holders of its asseed share capital for each share then held by them lour shares of the same class, crudded as fully paid
- (v) On 3rd May, 1984 53,872,589 B Shares were issued, credited as fully paid, to members of PA in exchange for the B Shares and Second Preference Shares in PA held by them. (w) On 7th May 1984 a total of 50,005 838 A Shares and 76 309 508 B Shares were soured credited as tuly part to PA, NPA Nominers, AAP NOPA, two affiliates of Windows the Lacquisive Directors of Feuters Limited and the frusters of the Employee Trust in consideration of the acquisition by the Company of all the issued share capital (other than certain E Shares and E Preterence Shares) of
- furthers Larded not already owned by it (ea) On 8th May, 1984 the Company asset by way of capitalisation of reserves, to the halders of dy asset share capital for each share then held by them, one share of the same class, credited as fully poid.
- (viii) On 9th May 1984 the Founders Share Company subscribed for the Founders Share for cash at two
- (b) (a) Other than charge assued intra-group and save as disclosed in this Other for Sole, no there or loan capital of the Company or any of its subsidiarish has been is seed within the two years intrreducing the date of this Otter for Sole or is new proposed to be caused, fully or partly pead, within for cash or

for a consideration office than cush

- (b) Save as disclosed in "Arrangements for this Offer for Sale and for a Samplaneous Officing in the United States" in paragraphs 15 and 18 of the throat by Binder Familys and in the paragraph A and paragraphs 15. And 18. and N. an Statuture and general information no commissions decounts technique, or other special terms have been granted by the Company or any of its subsidiaries within the two years emischales, precipiting the date of this Offer for Sale in connection with the space or sale of any share or loan capital.
- (c) Save as displaced in this Offer for Sale, no share or loan capital of the Company or any of its subsidiancy, sunder option or agreed conditionally or ync ynddonuith Ia be pul yriaet of fion.

The Directions of the Company may allot at the unstruct share capital of the Company shifts an authority which will expert at the first annual general meeting of the Company which will a held in 1985. The Directive may associate for each extensive than pro-rate to existing prehadours) up to 43 (100 000 B Shares, uncluding these comprised in the Offer for Sale and

two material classical strates of the Company tomer than to shareholders substantially the fault for matrix heldings I will be made within one year of the date of this Offer for Sale and one had with one had the offer of Sale and one had with one made which which after the control of the Company without, in either time if the time approval of the shareholders of the Company in general meeting.

Subsidiaries and associated companies

The Company owns approximately 97 per centrol the issued share capital of Reuters The following is a list of the subsidiarius and associated companies of Reuters

1983	tume of company	(uh magades)	Course of	Rowd syn	Percentant feet and feet and rests to feet as area a	Greens neige (1 1 anut
1989 1989 1989 1989 1980		76h 40gus!, 1987	-m-ad	259 ° 27 ° 609		From John Comments of the Comment of
1976	Arymina Lajmosmerciana de Internação Latro SA		fanding.	USS200 970	12	Exercises
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1991 Security Se	ecolor presentation (A	2nd August 1976	Fram. c	erack)		[orm
1907	Mynkor Trading Limited		Engs d	£, ;	- ·u	September Restaura
Product Manager Services Local 1984 Product Comment Co	filmery Communications Candy 3	jūs jarma. ģar jarma.	Enguera	7.0	£	ingeneral Regioned Particles
Project Neighbor Project Proje	Feeld ORDE,	2ndMay 1978	heracus		100	Supple of Property Supples
1907		29n March, 1984	England	£13.	163	Supplied Sector Sector
Part	Regulet Megerlatty Sk.,		ia materia.	. каж	141	Secretary of Frances Interests
Regions Names Arymory (MASA) Regions Names Arymory (MASA) Regions Names Arymory (MASA) Regions (Magerial Lemner) Regions (Magerial Lemner) 1802 Regions (Magerial Lemner) 1804 Regions (Magerial Lemner) 1806 Regions (Magerial Lemner) 1807 Regions (Magerial Lemner) 1808	fu dis Finlago va Lemiada,		Pottage [*]	E.: 12 %	:)	in selections in selections artists of
Advanced to the property of th			E-graph	FF 250 (00)	*(0	Prince Call manage men personal
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Parks		The Excention	top e	17.940 J.	ĸ	Managet element bedes trees from

C. Articles of Association of the Company

The Amoles of Astociation of the Company contain provisions, inter alia, to the

(i) Share capital

ci to any rights attached to any other class of shares ~

(a) Income The predict of the Company available for qualitation and resched to be defrabled and divisible by way of dividend among the holders of the δ -Shares and the E-Shares rate after according to the number of shares had by them respective $V_{\rm c}$.

On a return of assets on a winding-up, the assets of the Company available for Cmaintenance assession a winding-up, melasters of the Company available for obstitution among the members are, subject to any provision unjet section 74 of the Companies Act 1980, to be applied in repaying to the holders of the Founders Share, the A Shares and the B Shares rateably according to the number of shares held by them respectively the amounts paid up on such shares (save that the Founders Share for the purpose Counts as 10 shares) and, subject therefor are to be distributed among the holders of the A Shares and the B Shares rateably according to the combanies of chares to the them reproduced. number of shares held by them respectively

Subject to statute, the Company may purchase any of its own shares other than any A Shares or the Founders Share

(ii) Voting rights
On a resolution to elect or remove from office a B Share Detector, only holders of B On a resolution to elect or remove from once alplanar time two my proversions. Shorts may vote Subject therefol, on a show of hands, every member (other than the Fouriduss Shars Company) who is present in person has one vote, and on a politivery holder of A Charles has four votes fair every A Share of which he is the holder and every moder of B Marrish has one vote for every B Share of which he is the holder and every notice of B Marrish has one vote for every B Share of which he is the holder Shifting as the Deed of Mutual Covernant subhists is holder of A Shares may not vote in respect of such shares on a show of hands and on a politimay vote only through the proxy appointed under the Deed of Mutual Covernant.

Certain restrictions on voting may be imposed. See "Limitations on shareholdings."; 12: member shall, unless the Directors otherwise determine the entitled in respect of shall-sheld by him to vote at, or eventise any other right contented by member show in relation to, any general meeting or neveling of the holders of any class or shares of the Company if any call or other sum payable by him to the Company in respect of such shares is unpaid or if he or any person appearing to be interested in such shares has been duly served with a notice under section 74 of the Companies Act 1981 and is in default in supplying to the Company the information thereby required or such information task to establish who is interested in the shares and the Company knows or reasonably thinks the person in question is or may be

(iii) Variation of rights The special rights affacted to any class of shares may be valied or abrogated either

with the consent in writing of the holders of three-fourths in normal value of the issued starks of the class or with the sunction of an ostraprobary resolution passed at a separate general meeting of the holders of the shares of the class. The rights affected to the Founders Share may not be varied or abrogated in any respect without the prior written consent of the

(w) Limitations on shareholdings The Company, its members and all persons interested in shares of the Company shall have the rights and obligations provided for in Part IV of the Companies Act 1981 (which s to disclosure of interests in shares) as extended, inter aka, as follows

- (a) such rights and obligations apply to both the A Shares and the B Shares and in such a way that an interest in two per cent for more of the issued A Shares or the issued B Shares is subject to the notification requirement under Part IV Issued percentage to apply even if the percentage provided for by Part IV is
- (b) contain interests discogarded under Part IV are not decreasided, and (c) a person is subject to such obligations notwithstanding that he is outside the United Kingdom and that the event giving rise to an obligation occurs outside
- the United Kanadom. injures is notified pursuant to these provisions which would not require to be notified English Nytuda Ligh C^{ar}ent Sufucs under statute are to be enforced by the Company in a separate register and in some call unstances, inclinication of such interests must state certain particulars so that the Company can comply with this requirement.

- If after any shares in the Company are admitted to the Otheral List of The Stock Centumber any person fair field with Person 1 becomes interested in 15 per centrol more of the insued shares of any class of the Company offer than the Founder's Share the Exectors shall cause the Company to serve a notice for flexing one factor on that Releasing Person that and filed is 50 fat as known to them) having interests in and in otherant, on the to geteroid halders of, the shares in which he is interested (the "Rejectant Shares").
 - A Restriction Natice shall ---
 - (a) sellout the Voling Restrictions mentioned here in and
 - (4.) Cuttor a discount to be made of such number and class of Rejeannt Shares as with Chube the Rielevant Person to cook to be a Relevant Person (a. Required Employed it and for reinsonable contents that rectude procedure or regreg to be supplied to the Company within 21 day, or ratio langer general to the Day 1972.

From the serving of a Restriction Notice until such time as these restrictions (the during Resignations, 'Il crasse to apply, a registered holder of rauch Resignat Shares's boil not be writted in respect of such shares to recent notice of or to altered or vote all arrays not at the sing of the Company or any moving of the holders of any class of shares in the Company.

If a notice calling for a Reduired Disposal is not complied will to modification of the Disposal is not complied will to modification of the Disposal is not complied will to modification of the Disposal is and give written notice of it to the rendered holders of the states said. The Directors shall actionme the majored by an adverse said. The Directors shall actionme the majored part for not a fraction Disposal The Directors shall actionme the majored part is not specified and for some said the object of the disposal is able to the company of the process of a Directors. Disposal is able to consider the company whose receipt shall be a great disposal in the shall be that contains the disposal in the disposal is all holder on surrender of the combinate for the Redwind Shares forms by help by him and so sold.

If the Develors resolve that they have tensorable cause to belove to that preson in this, be a Relevant Person and that they have made to as onable enquires to establish whether he is on not but that such enquires have not been arrowned or fail to establish whether he is on they find the deemed to be a Relevant Person until any such time as the Develors resolve that they are satisfied that he is not

If the Devictors resolve that they have reasonable cause to believe that any physics of Company are or may be shares in which a Retexant Person is interested and that they have made reaconable endiaties to establish whether they are or are not again chares, but that such unquiries have not been answered or last to establish whether they are or are not a any shares shall be desired to be shares in which such Relevant Person is interest time as the Oriector's resolve that they are satisfied that they are not such shares

Number the Company nor the Exectors shall be obliged to serve any notice provided for by these provisions on any person if they do not know either the identity or his address The Directors' decisions in respect of these provisions are tinal and binding and may not be challenged on any grounds whatsoever

The Directors may assume verticul enquiry that a person a not a Relevant Person untess the information in the register kept by the Company under section 73 of the Companies. Act 1961 or the separate register referred to therein indicates to the contrary or they have reason to betwee otherwise. In the latter case, the Directors shall make reasonable engaines to discover whether amone is a Retevant Person, if a Cirector has reason to believe that anyone is a Relevant Person, he shall without delay inform the other Directors of that fact

An ADR Depositary in its capacity as such shall not be a Relevant Person. A person interested in ADSs is treated for the purposes of these provisions as interested in the retovant number of underlying shares of the Company.

An A Shareholder shall not be capable of being a Relevant Ferson by reason of being interested in 15 per cold, or more all the issued A Shares before as the Deed of Mutual Coverant sub-vists and such A Shareholder complets with the remis thereof

There are modifications to these provisions where a person becomes interested in 15 per cent or more of the assert shares of any place by retrigor of a right asset under v and v or other policy or other v a business which includes under under v of the v of securities. Or the v of vof others (e.g. conversion by others of A Shares into B Sharey)

If the Directors believe that any benutical interest (africal hair that of an equitable charges) in any A Shares is vested in any are other than PA IA-P, NZPA or an MFA member, the Concitors may require this interest has been did not be ended and if they are not catched that it has been may sed the A Shares concerned

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APLANTAGE TO STATE OF THE PARTY OF THE PARTY

On any pot on any resolution in general meeting which would vary or abrogate the rights attached to the Founders Share, the Founders Share Company shall have the right to cast sufficient votes to defeat the resolution. The doing of anything which, under the Articles of Association of the Company, requires the prior written consent of the Founders Share Company, and any of the following resolutions, are deemed to vary or abrogate the rights ned to the Founders Share

- (a) any special resolution which would alter, delete or derogate from the effect of certain entrenched provisions of the Articles of Association of the Company of render them not entrenched;
- any resolution that the Company be wound up voluntarily or by the Court; any resolution for, or approving or sanctioning, any reconstruction of the
- any resolution which would give any shares voting rights not identical with those
- of the A Shares or those of the B Shares; or any resolution to amend any resolution of types (a) to (d).

If a Director becomes aware of any facts which might lead to the Directors and, or the Founders Share Company taking the view that a person and his associates (if any) has or have obtained, or is or are attempting to obtain. Control (which means the ability to control the exercise of 30 per cent or more of the votes on a poli at a general meeting, disregurding the rights of the Founders Share Company and any suspension of the voling rights of any shares, he shall without delay inform the other Directors of such facts and the Directors shall forthwith

give notice of them to the Founders Share Company.
If there are, in the opinion of the Founders Share Company, reasonable grounds for believing that any person and his associates (if any) has or have obtained, or is or are attempting to obtain. Control, the Founders Share Company shall be entitled in its absolute discretion to serve a notice (a "Founders Share Control Notice"). Such a notice may be rescinded if the Founders Share Company becomes of the opinion that such is not the case. Where a person would, under certain provisions, be taken to be interested in shares in which another person is interested or taken to be interested, they are deemed to be associates. Two or more persons are also deemed to be associates if, in the opinion of the Founders Share Company, there are reasonable grounds for believing that they have, or are alternpling to obtain. Control pursuant to some arrangement between them (subject to certain

exceptors).

White a Founders Share Control Notice is in force, the Founders Share carries sufficient votes on a poll to secure the passing or defeat of any resolution.

The opinion of the Founders Share Company in respect of these provisions is final and binding and may not be challenged on any grounds whatsoever.

None of PA, AAP, NZPA and the NPA members shall be capable of being considere

None of PA, AAP, NEPA and the NPA members shall be capable of being considered as having or attempting to obtain Control by writer of, nier alia, the Deed of Multial Covenant and the agreement between the NPA members, NPA Nonninees and NPA (the "NPA Shareholders' Agreement"), unless a Distress Notice has been given in respect of that person. See paragraph (wild of Dieed of Multial Covenant.

The Founders Share Company is entitled at any time to require the Directors to convene an extraordinary general meeting of the Company for the purposes specified by it, and to distribute with the notice of meeting a statement of not more than 5,000 words supplied by the Founders Share Company. The Founders Share Company can take flake such steps if the Directors do not do so or, while a Founders Share Control Notice is in force, without first requiring the Directors to do so.

The Founders Share Company is entitled —

- (a) to receive notice of every general meeting and of every separate general meeting of the holders of the shares of any class and
- to altend and speak at any such meeting through a representative or proxy.

The Reuter Trustees are entitled, at the invitation of the Directors, to attend meetings of the Directors and to confer with them, and shall generally be available to act in a consultative capacity with the Directors. The Reuter Trustees are entitled to receive from the Directors periodical reports of the activities of the Group and to make representations to the Directors on matters of general interest affecting the Group.

The Company will pay to the Founders Share Company on demand such mones as

the Founders Share Company shall certify are required by it --

- to indemnify the Reuter Trustees in respect of their expenses in attending their meetings and in carrying on the functions of the Founders Share Company; to indemnity the Founders Share Company in respect of all expenses incurred by it including expenses in enforcing the Reuter Trust Principles and the provisions of the Deed of Mutual Covenant and in carrying out the objects of the Founders Share Company, and
- (c) to comply with all statutory requirements in force.

The Company will pay to the Founders Share Company on demand the cost of, or at the option of the Founders Share Company provide, all company secretarial services and other ancidary administrative services which the Founders Share Company may request.

A Shares shall be converted into B Shares ranking partiposes with the other B Shares from time to time in issue on the dates and on the terms and conditions provided for in the

There shall not be less than five nor more than 15 Directors, but the Company may at any time by ordinary resolution after the minimum number and/or the maximum number of Directors. Whilst there are A Shares in soue, holders of B Shares have a right to elect to, and remove from, office up to three Directors. On any resolution to elect or remove a B Share. Director from office, only holders of B Shares are entitled to vote.

The maximum number of Directors who may hold executive office is three, but the Company may by orderary resolution in general meeting increase such number. The Company in general meeting, and the Directors, may appoint any person to be a Director to fill a casual vacancy or as an additional Director, subject to the maximum number of Directors, B Share Directors and Eirectors holding executive office. Any person so appointed by the Directors must retire from office at the next annual general meeting of the Company but will be eligible for re-election.

At each annual general meeting of the Company, one of the B Share Directors for the time being and one third of the other Directors for the time being (or, if ther number is not a

multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation. The Directors to retire by rotation shall include any Director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be that one of the B Share Directors and those of the other Directors who have been longest in office since their last re-election or appointment. A between persons who became or were last re-elected Directors on the same day, those to retire shall be determined by lot. A retiring Director shall be engible for re-election. At the annual general meeting of the Company in 1985, all the B Share Directors shall retire from office but shall be elicable for re-election

in an de engure in revination in the Companies Act 1948, which regulate the int and continuation in office of Directors who have attained the age of 70, apply to

A Director of the Company is not required to hold any shares of the Company by way of qualification. A Director not holding any shares of the Company may neverthel and speak all general meetings of the Company.

and speak all general meetings of the Company.

The ordinary remuneration of the Directors shall be £10,000 per annum for each
Director lother than the Executive Directors) or such other sum as shall be determined by ordinary resolution of the Company in general meeting. Any Director who holds an executiv re, serves on any committee of the Directors or otherwise performs services which, in the non of the Directors, are outside the scope of the ordinary duties of a Director may be paid such remuneration by way of salary, commission or otherwise as the Directors may determine. The Directors may repay to any Director all such reasonable expenses as he may your in attending and returning from meetings of the Directors, or of any committee of the Directors, or general meetings or otherwise in or about the business of the Company. The Directors may on, death or disability benefits pay and agree to pay pensions or other retrement, superannua to (or to any person in respect of) any Director or ex-Director and, for the purposes of

A Director may be a party to, or be in any way interested in, any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remurferated in respect of any office or place of profit. (other than the office of auditor of the Company or any subsidiary thereof) under the Comp or any other company in which the Company is in any way interested and he for any firm of which he is a member) may act in a professional capacity for the Company, or any such other company, and may be remunorated therefor and he may relian for his own absolute use and benefit all profits and advantages accruing to him thereunder. A Director shall not vote, but may be counted in the quorum, in respect of any

contract or arrangement or any other proposal in which he has a material interest (otherwise than by write of his interests in the shares, debentures or other securities of or otherwise in or through the Company). However, a Director shall be entitled to vote in respect of any resolution concerning any of the loftowing matters.—

(a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries:

in giving of any security or indemnify to a third party in respect of a debt or bigation of the Company or any of its subsidiaries for which he himself has saumed responsibility in whate or in part under a guarantee or indemnify or by the giving of security; (c) any proposal concerning an offer of shares or debentures or other securities of or

by the Company or any of its subsidianes in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(d) any proposal concerning any other company in which he is interested, directly or indrestly, and whether as an officer or shareholder or otherwise howson provided that he (together with the persons connected with him within the meaning of section 64 of the Companies Act 1980) is not the holder of or beneficially interested in one per cent or more of the issued shares of any class. of such company (or of any third company through which his interest is der or of the voling rights available to members of the relevant company, and

(e) any proposal concerning the adoption, modification or operation of a ation hand or retrument benefits scheme or employees' share scheme under which he may benefit.

Where proposals are under consideration concerning the appointment (including or varying the terms of the appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested. employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately, and in such case each of the Directors concerned (if not debarred from voting under paragraph (di) shall be chilled to vote in respect of each resolution except that concerning his own appointment. question shall arise all any time as to the materiality of a Director's interest or ni oil any Director to vote and such question is not resolved by his voluntarily argreeing to abstain from voting, such question shall be referred to the charman of the meeting and his ruling in relation to any other Director shall be trial and conclusive except in a case. where the nature or extent of the interest of such Director has not been fairly disclosed.

The Company may by ordinary resolution suspend or relax these provisions to any extent or rainty any transaction not duly authorised by reason of a contravention of such

The Directors shall restrict the borrowings of the Group so that the aggregate amount for the time being remaining outstanding of all momes borrowed (as defined in the Articles of Association of the Company) by the Group and for the time being owing to persons outside the Group shalf not of any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to twice the adjusted capital and reserves (as defined in the Articles of Association of the Company).

Subject thereto, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or any third party.

(x) Powers and duties of Directors

The Directors shall, in the performance of their functions, have due regard to the Reuter Trust Principles, in so far as by the proper exercise of their powers by the Directors (including the proper exercise of all such powers as they may have to control the altars of all subsidianes of the Company) and in accordance with their other dubes as Directors, those principles are capable of being observed by the Directors.

(a) Reuter News Services

PA, NPA, AAP Services and NZPA Services are embled to receive the Reuter News Services for the use of their members upon payment of such consideration as may be agreed from time to time, such use to be limited to the incorporation thereof in newspapers owned by such members or any subsidiary of such members respectively. See paragraph (i) of d. Certain Deed of Mutual Covenant

The Deed of Mutual Covenant contains provisions, inter also, to the following effect —

(i) Reuter Trust Principles

Each of the A Shareholders, AAP Services and NZPA Services (collectively the Each of the A statements, so caltons"), the Founders Share Company and the Company agrees to use its best yours to ensure that the Reuter Trust Principles are complied with The Association codeswours to ensure that the Fleuter trust Principes are competed with its associations as deemed to satisfy this commitment by the proper discharge of certain of their objections under the Deed of Mulual Covenant. These obligations include the proper exercise by the A Shareholders of their voting and class rights as holders of A Shares, the proper discharge of the obligations of their voting and class rights as holders of A Shares, the proper discharge of the obligations of the A Shareholders referred to in paragraphs (iv) and (v) and the proper discharge by PA, NPA Nimmees, AAP Services and NIZPA Services (the "Newspaper Associations") of their rights to nominate Reuter Trustees. No party to the Deed of Mulual Covenant is obliged thereby to acquire or dispose of shares or securities of the Company or lake any of the goods or Services of any other party, or is prevented thereby from carrying on

Fach of the Newspaper Associations agrees to nominate persons to be Reuter Trustees when vacancies occur among Reuter Trustee's nominated by that Newspaper Association NPA Nominees agrees to nominate persons proposed by NPA for as long as NPA duly proposes persons. The Founders Share Company agrees to admit to membership every person duly normalied as a Reuter Trustee by a Newspaper Association, if such person has parson duly normalieu as a neuter indice of a massam to membership of the Founders Share company of a person duly normalied to be a Reuter Trustee in accordance with the Articles of Founders Share Company and to secure that the Reuter Trust Principles are If any of the following events occurs to PA, NPA, AAP Services or NCPA Services, it

many or me naturally events occurs or Project Activates to the activates to the second of the second

The Foundar's Share Company may give a Distress Notice in respect of PA, NPA, AAP The Foundar's Share Company may goe a Distress notice in respect of PA, NPA, APServices or NZPA Services. It is noticed noticed to give in respect of PA, AAP Serviced or NZPA Services, its right to nominate persons to be Reuter Trustees ceases. It a Distress Notice is given in respect of NPA, it ceases to have the right to propose persons to be Reuter Trustees and NPA. Nominates may nominate persons of its own choice. The giving of a Distress Notice does not affect the position of any Reuter Trustees then holding office.

The Company gives the indemnities and agrees to make the payments and provide the services to the Founders Share Company described under paragraph C (vi) of C. Articles

ment and removal of Directors of the Company

The A Shareholders agree to exercise the voling rights attached to the A Shares so as to ensure that eight Directors of the Company are elected and removed by A Shareholder shareholder which is the registered holder of the per cent, or more of the lotal number of A Shares in issue from time to time is entitled to nominate one Director for election. The right to nominate the remaining Directors is divided between the A Shareholders in proportion to their respective holdings of A Shares, if two or more A Chareholders have an equal right to

(v) Voting of A Shares

The A Shareholders agree to appoint a proxy (the "proxy") to cast the votes attached to the A Shares. Before any general meeting of the Company, each of the A Shares will notify the proxy how it elects to direct the proxy to work as A Shares, and the proxy will determine, by a majority in number of the A Shares, how all the votes attached to all prony will determine, by a majority in number of the A Shares, how all the votes attached to all the A Shares will be cast. NPA Nominees agrees to exercise the voting rights in respect of all A Shares held by NPA Nominees from time to time as directed by a majority in number of the A Shares owned by NPA members. For the purpose of calculating this majority, A Shares owned by an NPA member which exceed 25 per cent in nominal value of the A Shares held by NPA Nominees from lime to time, A Shares owned by an NPA member in respect of which a Distress Nobice has been given and any disentranchised A Shares, see paragraph (iv) of C. Articles of Association of the Company, are disregarded. The restriction which would otherwise apply to NPA members who own more than 25 per cent in nominal value of the A Shares held by NPA Nominees does not apply if at any time there are less than four NPA members, held by an A Shareshold for in a NPA member in respect of which a members. Any A Sharus held by an A Shareholder or an NPA member in respect of which a Distress Notice has been given shall be voted with the majority since that person loses its right to give any direction to the propy or us the case may be, to NPA Nominees. All the A Shares, apart from any disentranchised A Shares, will therefore under the terms of the Deed of Mutual Covenant be voted in the same way on any resolution

(vi) Transfers of A Shares

Any A Shareholder (other than NPA Nominees) wishing to dispose of any A Shares must first ofter such A Shares at a price of its choosing to the other A Shareholders and the NPA members. Any A Shares not taken up by such A Shareholders or NPA members must then be offered to new NPA members (that is, persons who have become members of NPA Nominees since the execution of the Deed of Mutual Covenant). Any A Shares not taken up by any such persons may be offered again at any price at any time. If any NPA member wishes to despose of any A Shares of which it is the owner, it must first other such shares at a rore of its choosing to the other NPA members. Any A Shares not taken up by such NPA members must then be offered to the other three A Shareholders. Any A Shares shi remaining unsold must fine be offered to any new NPA members. Any A Shares not taken up by any such persons and the offered to any new NPA members. Any A Shares not taken up by any such persons may be offered again at any price at any time.

Any NPA member may at any time transfer all (but not part) of its interest in A Shares to any afficiate without his tharwing to offer them to other NPA members or A Shareholders. As afficial ewitch acquires any such A Shares must first become a new NPA member and a party to the Dead of Mutual Covenant and to the NPA Shareholders' Agreement. An afficiale means any wholly owned subsidiary, holding company or lellow wholly owned subsidiary.

Compulsory offers of A Shares If any of the following events occurs to PA, AAP, NZPA or an NPA member it must give

(a) in the case of PA, AAP or NZPA, a change of control, a receiver being appoint
over all or a substantial part of its assets, or if it is wound up by a Court of
competent jurisdiction.

(b) in the case of AAP, a change in its Articles of Association governing its (c) in the case of PA, a fundamental change in the nature of its business, or

(d) in the case of an NPA member, if that NPA member or its aftitate proprietor of at least one national daily or Sunday newspaper or of a darly or Sunday newspaper published in London , or if a receiver is appointed over al ed over all, or a substantial part, of the assets of that NPA member, or its attribute which is a wspaper proprietor, or if either such company is wound up by a Court of

The Founders Share Company may give a Distress Notice in respect of any such men of A Shares. The owner of A Shares in respect of which a Distress Notice is a

rsion rights of A Shares

At any time after 14th May, 1987, A Shares may be converted into Convertible A Shares on a one for one basis with the agreement of A Shareholders holding not less than 75 per cent, of the Non convertible A Shares unless the effect of conversion would be to reduce the total number of A Shares in issue to 20 per cent, or less of the total issued share capital of The Company immediately following this Offer for Sale, the U.S. Offering and the Soc Employee Offer Conversion of A Shares into Convertible A Shares may also be effected on a one for one basis with the consent of all holders of Non convertible A Shares. Convertible A Shares may be converted into 8 Shares on a one for one basis at the option of the holder at

A Shares purchased from an owner of A Shares following the giving of a Distress iverled into Convertible A Shares and then into B Shares, as to one half of the number of A Shares so acquired, on the first ammersary of the date of purchase and, as to the balance, on the second anniversary. Any A Shares not sold by an owner of A Shares in respect of which a Diskess Notice has been given must be converted into Convertible A Shares and then into 8 Shares on the second anniversary of the giving of the Distress Notice.

(x) Covenants by NPA members

Additional covenants are given by NPA members to procure that NPA Nominees complies with its obligations under the Deed of Mutual Covenant, and that no variation is ma to certain provisions of the NPA Shareholders' Agreement and the Articles of Association of provisions of the NPA Shareholders' Agreement and the Articles of Association nees which would make them inconsistent with the Deed of Mutual Covenant.

The Deed of Mutual Covenant may be terminated at any time with the written consent with Associations and the Founders Share Company. The provisions described ragraphs (1), (ii), (iii), (x) and this paragraph (xi) may only be varied with the consent of cations and the Founders Share Company. The provisions described under paragraphs (w), (v) and (ω) may only be varied with the consent of each of the A Shareholders and the Founders Share Company. The provisions described under paragraphs (w), (vii), (viii) and (α) may only be varied with the consent of each of the A Shareholders.

(xil) Conversion of A Shares on termination of the Deed of Mutual Cove The A Shareholders agree that if it is proposed at any time that the Deed of Mutual Covenant be terminated, for whatever reason, all A Shares in issue shall prior to such termination have been converted into B Shares.

morandum and Articles of Association of the nders Share Company

The Memorandum and Articles of Association of the Founders Share Company

contain provisions, inter aha, to the following effect.-Company limited by guarantee

The Founders Share Company is a company smiled by guarantee not having a share every member of the Founders Share Company undertakes to contribute to the essets of the Founders. Share Company in the event of its being wound up such amount as may be required not exceeding the sum of £10.

The objects for which the Founders Share Company is established are, inter alia:—

(a) to subscribe for and hold the Founders Share and exercise the rights and powers attached thereto, and to uphold the Reuter Trust Principles; and (b) to enter into the Deed of Mutual Covenant, and to exercise and enforce the

powers and rights and to perform and discharge the obligations confer imposed upon the Founders Share Company by the Deed of Mutual Co (iii) Rester Trustees

The Founders Share Company consists of 14 members known as Reuter Trustees. All Reuter Trustees are Directors of the Founders Share Company, No person may be a member of the Founders Share Company unless he is also a Director, or be a Director unless hiv individuals who are not Directors or employees of the Group may become

intment of future Reuler Trusless

Any vacancy in the number of Reuter Trustees nominated by PA may be filed by Any vacancy in the number of Heuter Trustees normaled by PA may be filed by nomination by PA; any vacancy in the number of Reuter Trustees normaled by NPA hommess may be filed by nomination by NPA Normness at the direction of NPA; a vacancy in the number of Reuter Trustees normaled by AAP Services or NZPA Services may be filed by nomination by AAP Services (if its previous normale has ceased to be a Reuter Trustee) or by NZPA Services (if its previous nominee has ceased to be a Reuter Trustee), any vacancy among the Reuter D Trustees, subject to the approval of a majority of the Reuter Trustees that trustees other manning Reuter D Trustees, subject to the approval of a majority of the Reuter Trustees that provides and to be a a majority of the Reuter Trustees other than the Reuter D Trustees, which approve is not to be unreasonably withheld or delayed. If for any reason there are no Reuter D Trustees, the Reuter Trustees may nominate appropriate persons to be Rauter D Trustees.

Statutory and general information $R_{\rm cut} \approx 0$ This test must not be members of, or be materially beneficially interested in shares of the Company or have on, material francial interest in the Company Reuter D. Trackets must also not have on, material financial interest or be engaged in the newspaper industry, while while of in poor the fine bubble of heland. Australia or New Zealand, or many compact or prompertient with the Group, At least two Reuter D Trusteus must be resident in the

Refirement and resignation of Reuter Trustees

The Periodical and resignation of neutral treaters. The Periodic form office until 1989, After the annual general meeting of the Foundard Share Company to be held in 1989, one of each class of Felder Trustices outently in office retires annually by rotation, but is eligible for related interest of the class of a Peuter C Trustice is has not reached his 75th britishay. All there Feuler Trustees of each class wateriers at the first annual general meeting affiliation and an appearance, or following their 75th betinday, whichever is earlier, but will be evigible for recapportment of they have not vol reached their 75th betinday. Feuler D Trustes may, inter and, be removed from officerd, by unanimous resolution of the Reuter Trustees other than the Feuler D Trustee concerned, it is determined that he no

Am Reuter Trustee may be removed from effect by unanimous resolution of the Peuter Trustees other than the Reuter Trustee concerned.

Remuneration of Reuter Trustees The Reuter Trustees are not entitled to any remuneration, but are entitled to be paid a" traileding, "take and other reasonable expenses incurred in aftending general meetings and Emptions investige of the Founders Share Company and in carrying on the business of the

langer meets the congruent for becomes a a Peuter D Trustee.

Founders Share Company, (vii) Exercise of the Founders Share rights A Reuter Trustee shall summon a meeting of the Reuter Trustees if he believes that a

person and his associates (if any) has or have obtained or sion are attempting to obtain Control of the Company. At such meeting, the Reuter Trustees may determine the action to be taken by the Footiders Share Company to enforce the Reuter Trust Principles, and, if accropriate, the manner in which the voting rights attached to the Founders Share are to be

energised. A Reuter Trustice shall cummon a meeting of the Reuter Trustices if he believes that a rescribtion of the Company is to be proposed which, if passed, would be a variable of the reptils of the Founders Share. At any such meeting of the Router Trustices, a resolution proposing sensities of the economics attained to the Founders Share to defeat such resolution shall be passed if two or more Reuter Trustices vote in favour.

tha Peuter Trustee believes that a Distress Notice should be served on the Company ir retation to an Association or an NPA member he shall summon a meeting of the Reuter Trusteed to determine whether such a Distress Notice should be served.

NPA Shareholders' Agreement

The parkers to the LPPA Shareholders' Agreement ase: Times Newspapers Limited: The Daily Telegraph Limited, Associated Newspapers Group pilic; Mirror Group Newspapers Limited News Group Newspapers Limited News Group Newspapers Limited The Soneth of Licensed Victualities: Fileet Holdings P.L. C: The Guardian and Manchester Evening Newspapers Users and NPA Shareholders' Agreement contains certain provisions relating to the holding of A Shares by NPA Nominies for the members of NPA Nominies, and the operation of the Deed of Mulusi Covernant as between the members of NPA Nominies. The NPA Sharenoiders, Agreement terminates upon termination of the Deed of

Articles of Association of Reuters Limited

The Articles of Association of Reuters Limited contain provisions, inter ata, to the

ω Share capital

The share captal of Reuters Limited is £500,000 divided into 360,000 Ordinary Shares of £1 each, 90,000 Preference Shares of £1 each, 40,000 E Shares of £1 each and 10,000 E Preference Shares of £1 each.

Davidends

(a) Each Preference Share and each E Preference Share confers upon the holder the right as from 4th Max, 1984 to a fixed non-cumulative preferential dividend at the rate of five per cent per amount payable as regards each financial year, out of the points of Feuer's furnited available for distribution and resolved to be distributed in respect of that year, but with no right, in case of dehaency, to resort to the profits of subsequent financial years. Partiy paid E Preference Shares are entitled to the distributions as if this poid.

to divisionas as il fully paid to dividends as if filly paid.

(b) Each E Share conters upon the holder the right, subject to the preferential rights attached to the Preference Shares and the E Preference Shares and to the availability of profits for distribution, to a dividend as regards each financial year of Pesters Limited education to that which would have been payable had the holder thereol participated in the reorganisation of Reuters Limited and even anged his E Shares and E Preference Shares for fully paid B Shares of the

Company

(c) Subject to the preferential rights attached to the Preference Shares, the E

Preference Shares and the E Shares, the profits of Reuters Limited available for distribution may be distributed by way of dividend to the holders of Ordinary

Pre-emption rights
Transfers of E Shares and E Preference Shares to persons other than the Employee Trust or the Company are subject to pre-emption rights in favour of other holders of such

Restrictions on sales of B Shares

(a) Orderly Marketing Agreement

(a) Underly Manneting Agreement (the "Agreement") was entered into by certain shareholders of the Company, the Issuing Houses and the managers of the U.S. Offering (the "U.S. Managers") for the purpose of ensuring that, so far as practicable, an orderly market the B. Shares is preserved after this Offer for Sale and the U.S. Offering Under the Agreement, the shareholders of the Company (excluding the Executive Directors and with certain other exceptions) which were, at the date of the Agreement, interested in 0.1 the centain of the agreement. Directors and with certain orner exceptions; which were, at the date of the Agreement, interested in 0.1 per cent or more of the equity share capital of the Company (for which purpose efferests held within a group of companies are treated as a single interest) have undertaken not to make any disposals of their interests in B Shares at the date of the Agreement fincluding any such shares acquired subsequently on voluntary conversion of A Shares or pursuant to a capitalisation of reserves of the Company, but no other such shares) until 1st January, 1986. These restrictions do not apply to disposals which are.—

(i) ordered by a Court of compelent runsdiction, or

written consent of the Iss ng Houses and the U.S. Managers (such consent not to be unreasonably refused in the event of death, insolve (ii) made by a person which is not (and is not a member of a group which is) at the time of such disposal interested in the equivalent to 0.1 per cent, or more of the

equity share capital of the Company at the date of the Agreement; or (v) by way of sale in this Offer for Sale or the U.S. Offering In consenting to any such disposal the Issuing Houses and the U.S. Managers may, if der it appropriate, require that the disposal be made as part of a further marke on in which other holders of B Shares bound by the Agreement would be given a tible opportunity of participating.

reasonable opportunity of panicipating.

The parties to the Agreement are entitled to transfer B Shares between themselves or to another company in the same group as the transferor so long as the transferoe agrees to be bound by the provisions of the Agreement.

Those shareholders which were, at the date of the Agreement, interested in more than 2.5 accepts at least of the Agreement, interested in more

than 2.5 per centrol the equity share capital of the Company have further agreed that during period 1st January, 1986 to 30th June, 1987 they will not dispose of any of their interests in hares without first having consulted Warburgs (or such other person as a majority of such reholders shall agree) and having received the advice of Warburgs (or such other person) as to how any such disposal should be made

The Executive Directors have stated that they do not inlend to exercise any of their rights to dispose of E Shares or E Preference Shares of Peuters Limited or any B Shares of the Company for which they may be exchanged upon the exercise of any put or call option before

(b) Sales of B Shares in the United States of America

In addition to the Agreement, certain U.S. statutory provisions may affect the abidly of the existing shareholders of Reuters Holdings, following the U.S. Offering, to self 8 Shares in the United States or outside the United States in circumstances under which such shares may come to rest in the United States. The effect of such provisions will depend upon the facts and tances, including the relationship of the particular selling shareholder to Re Holdings at the time of sale. It should also be pointed out that any holder of B Shares, whether or not he held such

shares before this Offer for Sale and/ or the U.S. Offering, may need to seek legal advice in the United States if he wishes to sell shares after the flotation in the United States.

E Shares and Directors' and other interests

Arrangements regarding E Shares and E Preference Shares in Reuters Limited On 11th November, 1981 Reuters Limited adopted the Reuters Limited Employee Share Scheme (the "Scheme") Under the Scheme certain employees (including Executive Share scheme time ischeme if under the scheme certain enjoyees (including executive Directors) were from time to time solered options to acquire E Shares of Reuters Lamiled (paid up as to 10 per cent.) These parity paid E Shares ranked pain passum all respects with the fully paid stock of Reuters (united save that they did not carry any right to vote. Under Reuters Limited's Articles of Association the E Shares were governed by pre-emption rights which required that they be offered to the remaining E Shareholders at a price agreed as being their market value, in the event of their wishing to dispose of their E Sha market value, in the event or their warming to despote of their E Shares, employees had the effectively to put the shares to the Employee Trust and to require Reutlers Lemied to provide the Employee Trust with the funds required to effect such purchase. In the case of most employees, such rights become ever casable in respect of one quarter of each employee's holding one, three, the and sever years from the date of acquisition, in order to lacitate the reorganisation of Reuters Limited all the E Shares were converted into non-equity share. reorgansation of reduces the Direct water the Contract water Contract with our affecting their value, and 120 of the 124 employees concerned (including the Executive Directors) had as at 10th May, 1984 entered into put and call ophors in relation to the E Shares and E Preference Shares of Reuters Limited held by them under which, after eac such employee becomes entitled to require Reuters Limited held by them under which, after each such employee Drust of such shares and has fully paid up the balance due on his E Preference. Shares, the employee would be embled to require the Company (the "put option"), and the mpany would, subject to certain limitations, be entitled to require the employee (line "c ion") to exchange each unit of four E Shares and one E Preference Share for 3,775 B Shares If all holders of E Shares and E Preference Shares exercised such options, this could result in the issue of a maximum of 9,750,825 B Shares. Such rights are exercisable over the next seven years. The put options lapse two years after they become exercisable in respect of all of an employee's E Shares and E Preference Shares. The call options lapse two years after they become exercisable. The put options were granted in consideration of the call options

Within the two years immediately preceding the date of this Offer for Sale, 1,427 E. Shares have been issued parity paid to employees of the Group.

Directors' Interests

The interests (as defined in the Companies Act 1967, as amended) of the Directors in

	A Shares	B Shares	E Shares in Reuters Limited	E Preterence Share in Reuters Limited
N. L. Judah				
Beneficial	_	556,250	424	106
Non-Beneficial	_	_	200	50
K R Murdoch	9,466,116	24,736,190	_	
M. E. Nelson				
Beneficial	_	679,500	520	130
Non-Beneficial	_	_	204	51
G McG Rentrew	_	565,250	1,580	395
R.J. Winstey	_	1,623,280		
The shareholding Directors and setting share	s shown abov holders in this	e will be reduc Offer for Sale	ed by the 9 Shares and the U.S. Offers	sold by Executive 1g.

The accretable emoluments of the Directors of Reuters Limited who held office during the year ended 31st December, 1983 amounted to \$283 000 % is estimated that the aggregate emoluments of the Directors of the Company and of Reuters Limited in respect of year enging 31st December, 1984 will not exceed \$525,000. The Executive Directors are also, logether with certain pitrus senior executives, members of the Reuter Suppleme Pension Schome which is a non-contributory scheme.

No service contract exists or is proposed between the Company or any subsidiary of the Company and any Director which is not terminable within one year without payment of compensation (other than statutory compensation)

Cortain Directors have direct or indirect interests in the share capital of shareholders in the Company, some of which are selling B Shares in this Offer for Salo and the U.S. Offering. Except as mentioned herein, no Director of the Company has or has had an interest in

any assets which, within the two years immediately precising the date of this Offer for Sale, have been or are proposed to be acquired or disposed of by, or legaled to, the Group. Except as menhaned herein, no contract or arrangement subsists in which a Director of the Company is malenally interested and which is agnificant in relation to the business of the Group taken as a whole.

(iii) Other interests
The interests (within the meaning of Part IV of the Companies Act 1981) which the
Directors believe will represent five per cent, or more of the normal value of any class of share capital of the Company following this Offer for Sale, the U.S. Offering (including the 7,200,000 additional 8 Stores which may be added to the U.S. Offering) and the Special Employee Offer tother than the Founders Share) are as follows.—

	A Shares		: 8SI	8 Shares		aí
	Number	Per cent	Number	Per cent."	Number	Per cent."
PA	41,688,198	41-67			41,688,198	10-60
AAP ^R	13,896,066	13-89	22,476,060	7-66	36,372,126	9-24
John Fairlax Limited group ^{ist}	13,896,065	13-89	22,476,060	7-66	35,372,126	9 24
The Herald and Weekly Tames Limited group ¹⁵	13,896,066	13-89	22,476,060	7-66	36,372,126	9.24
News international pic. 19	9.466.116	9.46	24,736,190		34.202,306	8-69
Fleel Holdings P L C	8,789,966	8-79	25,073,326	8-55	33,863,292	8-61
Associated Newspapers Holdings p I c	4,733,058	4.73	18,449,194	6-29	23,182,252	5-89
Reed International P.L. C	5,852,180	5-85	16,455,539	5-61	23,317,719	5-67

Notes:—

(1) The percentage figure's assume full subscription of the Special Employee Offer.

(2) By writer of SBR(3) of the Companion Act 1981, all of those companion and desire shares in the Company.

(3) The News Corporation Limited of underhald.

coration Limited, of which News International pictics studentiary, owns a 12 per cent interest

Save as aloresaid the Directors are not aware of any shareholdings which following this Offer for Sale, the U.S. Offering and the Special Employee Offer will represent live per cent, or more of the nominal value of any class of share capital of the Company.

J. Certain transactions with Reuters

(i) The Articles of Association of Reuters Limited in force up to 10th May, 1984 provided that PA, NPA, AAP and NZPA were entitled, for the use of their own members and for such other purposes as might be agreed by the Directors of Reuters Limited, to the Reuter World News Service and were bound to pay for such service a sum equal to that proportion of the annual assertance interest to below which the roomsal amount of the shares and stock held by them in Reuters Limited bore to the total nominal amount of shares and stock in issue. nbers were responsible for the cost of delivery to them of the service. The Articles of Association also provided that, not later than their meeting in November in each year, the business of the Directors should include consideration of the omount payable for the service (the "annual assessment"). The annual assessment in force on 1st February, 1953 was to apply in respect of subsequent years until increased with the unanimous consent of the Directors or decreased with the consent of a majority of the Directors. For the year ending 31st December, 1984 the Directors have fixed the assessment at £1-04 militim (1983 £0-99 miltion).

Under the Articles of Association of the Company, PA, NPA, AAP Services and NZPA Services are entitled to receive the Reuter News Services for the use of their members, such use to be whited to the incorporation thereof in newspacers owned by such members respectively, upon payment of such consideration as may be agreed from time to time.

The arrangements prevaining under the previous Articles of Association of Reuters Limited will continue to operate until 31st December, 1985. The subscription for the year ending 31st December, 1985 will be \$1-10 million. From that date if a proposed that the provision of the Reuter Niews Services will be governed by new agreements to be entire of into between Reuters and PA, NPA, AAP Services and NZPA Services respectively. This terms of such new agreements and the consideration for the Reuter News Services have yet to be prevent but will be on an error standth basis. acreed, but will be on an arm's length basis.

(ii) Reuters Limited also has agreements with PA, AAP and NZPA under which, it

(ii) Reuter's Limited also has agreements with PA, AAP and NUZPA train which a consideration of certain arm's length feas, they are granted rights to use the Reuter World News Service in services to subscribers other than their own members, and grant to Reuters, in consideration of certain arm's jeright fees, the right to use their own respective general news services. The present PA adressment was entered into in May 1984 and will continue until 31 st December, 1984 and the AAP and NZPA agreements will continue until 31 st December, 1985, after which dates the right's concerned will also be the subject of new agreements.

(a) PA provides maintenance and installation services for certain of Reuters teleprinters in the United Kingdom on an arm's length basis. (w) PA subscribes to some financial and business services provided by Reuters on

(v) Reuters principal offices are situated at 85 Fleet Street, London EC4 and are held under leases from PA. The rents currently payable aggregate 20.5 million per annum plus service charges. The leases expire in 1997. (w) Reuters offices at Aitken House, 118 Fleet Street, London EC4 are held under

annum plus service charges, and the leases expire in 1991.

(vii) Certain NPA members subscribe to some financial and business information (vii) Reuters Limited delivers certain of its financial information to The Financial Times Limited ("FT"). Reuters Limited has also granted FT a non-exclusive ficence to publish certain data so received in various publications of FT and to use certain data in the provision.

by FT of its business information services and in certain hard-copy reports. Certain arm's

allies and lees are payable to Routers Limited for these services. (ix) Reuters Limited and AAP are parties to an agreement for the marketing of Reuters price and information services in Australia, including teleprinter and Reuter Monitor systems and services, for which AAP pays on ann's length terms. This agreement has been substantially replaced by the ticences described in paragraphs (x) and (x) (v) Reuters Limited has granted AAP on arm's length terms the exclusive right, subject to certain limitations, to use Reuter Monitor technology and equipment; to operate a Reuter Monitor service in Australia and to receive Reuter Monitor data for use within Australia.

this arrangement amounted to approximately A\$4,219,000 and Reuters paid AAP v A\$588.000 in com (xi) Reuters Limited has granted AAP on arm's length terms a licence to market in Australia the systems and information relating to U.S. securities and commodities prices supplied to Reuters by GTE information Systems incorporated ("GTEIS") and to redisserrintemational stock, commodity and related price information gathered by Reuters and GT

Reuters has also agreed to sell to AAP all necessary Reuter Monitor equipment on arm's

length lerms. In the year ended 31st December, 1983 gross revenue earned by Reuters under

ow been acquired by ADP. (xii) By an agreement dated 24th November, 1983, AAP Services and Reuters
Limited acquired 54 per cent, and 46 per cent, respectively, of AAP Reuters Communications.
Pty Limited ("AAP Reuters Communications"), a new company incorporated under the laws of Victoria, Australia, Reuters Limited and AAP Services also agreed to an exchange of technology for no charge, which technology will also be made evailable to AAP Reuters.
Communications. Furthermore, AAP Reuters Communications received a right of first refusal with respect to the marketing in its area of business operations of any products manufactured by IDR Inc. Reuters Limited agreed, subject to the receipt of any necessary refeases from AAP, to crant to AAP Services exclusively any excession refeases from AAP. to grant to AAP Services exclusive agreements for a 10 year period on the same or no less (avourable terms and with respect to the same subject matter as the agreements between AAP and Raudera Limited described in paragraphs (xx), (x) and (xi) Reuters Limited and AA Services have agreed to provide AAP Reuters Communications with working capital in Services have agreed to provide AAP Reuters Communications with working capital in proportion to their shareholdings. NZPA has agreed in principle to subscribe a three per cent, interest in AAP Reuters Communications. AAP Reuters Communications is involved in

(vii) Reuters Limited and AAP have agreed to provide to the Australian Broadcasting alson ("ABC") a selection of news contained in Reuters World and Asian Services as relayed to Australia and available to AAP, the overseas news senate of AAP and certa-associated services. Reuters Lumied and AAP have also agreed to supply to ABC tack the continuous collection and desempation of news and information between ABC significant supply. New York, Washington and London. meen ABC s albeen in

(xiv) The data centre in Sydney is operated and maintained by AAP Services on arm's length terms. Some of the equipment is owned by AAP Services and the remainder is

(zv) There are numerous other arrangements between Routers and AAP or AAP Services under which services are provided by one party to the other on arm's length terms. (xvi) Reuters Limited and NZPA are parties to an agreement for the mark-ning of all Reuters once and information services in New Zealand, including teleprinter slams and services for which N2PA pays on arm's length larms. This agreement

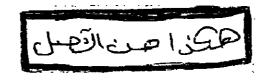
has been substantially replaced by the icence described in paragraph (xve) (xvii) Reuters Limited has granted NZPA, on arm's length terms, the exclusive right, subject to certain limitations, to receive Reuter Monitor information for dissemination in New Zealand Reuters has also agreed to sel to NZPA all necessary Reuter Monitor subscriber equement at arm's length paçes.

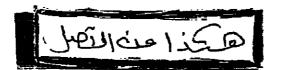
(win) Reuters Limited, AAP and NZPA are parties to an agreement pursuant to which Reuters provides and maintains a Transattainto-Pacific communications system for AAP between various locations around the world. AAP and NZPA also agree to provide Reuters correspondents with the use of their informational circuits for transmission of editional copy and e massages. These services are provided on an arm's length basis. (xix) Subsidiaries of Mercury Securities pile provide pension, investment and other

services from time to time to Reuters on arm's length terms. (xx) The Issuing Houses and related companies receive certain Reuter survicus on (xvi) The Company has agreed to reimburse sundry preliminary expenses of cortain shareholders described in paragraph (v) of Q. Genoral which are expected to amount to

(xon) The Company, together with the other porties named, is a party to the insurance arrangements described in K. Offer for Sale Agreement.

Save as disclosed in this Offer for Sale, in terms of amounts paid, none of the separate arrangements between Reuters Holdings or Reuters Limited and their respective shareholders referred to a paragraphs (a) to (aus) was in either of the years onded 31st December, 1982 or 31st December, 1983 more sprintcant than the arrangements of the paragraphs of the terms of the paragraphs of the paragraphs. in paragraph(i) Unless otherwise shown, such arrangements were industed more than two
years before the date of this Other for Sale. Reuturs Holdings does not consider there to be any produced are called to the Durbe for some instructs including codes not consider share to be surp arrangement between it or Reuters Limited and their respective shureholders which is material in the context of this Offer for Sale and which has not been disclosed herein.





Statutory and general information

K. Offer for Sale Agreement

By an Agreement dated 15th May, 1984 (the "Otter for Sala Agreement") between (1) the Company, (2 – 4) those holders of B Shares of the Company whose names are shown below (the "Saling Shareholders"), and (5) the tissuing Mouses, conditional, inter alia, upon the B Shares of the Company being admitted to the Official List by the Council of The Stock Exchange not later then 1st June, 1984:-

- (i) the issuing Houses have agreed to subscribe 29,000,000 9 Shares ("the Subscribed B Shares") and to purchase from Seiling Shareholders a minimum of 28,000,000 B Shares, and a maximum of 77,800,000 B Shares, although these numbers may be shares, and a maximum or 77,400,000 to onsres, serveys unsecution in 1,200,000 indicated to the extent that any of such B Shares are, with the consent of the Company, included at the proposed U.S. Offering.
- (ii) the subscription and purchase price payable by the leaving Houses to the Company and the Selling Shareholders shall be calculated by deducting from the Striking Price or, if the proceeds received from this Offer for Sele are insufficient to pay the same. from the proceeds of the U.S. Ottering, the due proportion of a sum equal to the aggregate of £2,558,500 (out of which the Issump Houses will pay an underwriting commission of two per cent. on the Markett mender Price in respect of \$7,000,000 (anderwritten B Shares and a fee to the Brokers to this Offer for Selo), an amount equivalent to the commission payable to banks, brokers and others reterred to in "Procedure for application", an amount equal to one per cent, on the Striking Price on any B. Shares, solid under this Offer for Sale and an amount equal to the reasonable expenses of the issuing Houses and the fees and expenses of the Receiving Bankers;
- (iii) the liability to the tissuing Houses under indemnities given by the Company and Selling Shareholders shall, with the exception of the 1,000,000 B Shares held by affiliates of Warburgs and referred to heren, be in proportion to the number of Subscribed B Shares and purchased B Shares sold under this Offer for Sele, but the Company has agreed to indemnify the Selling Shareholders in respect of any such liability to the Issuing Houses exceeding the proceeds of sale received by the Selling Shareholders
- (iv) Insurance premiums totaling up to £225,000 and \$960,000 payable in respect of insurance covering the issuing Houses, U.S. Underwriters, the Selling Shareholders and the Company are payable as to 95 per cent, by the Selling Shareholders and as to the per cent limit in Covering. five per cent by the Compa

The Selling Shareholders listed beneath their parent company, where appropriate,

Salling Shareholder	Maximum number of B Share
Associated Newspapers Holdings p.l.c.	
Associated Newspapers Group o.L.c.	8.934.23
RPM Holefore Dic	1 600 03
The Surton Daby Mail Limited	486.98
Bristol United Press Limited	811.64
Century Newspapers Limited	150,00
Courier Press (Holdings) Limited Watting Publication Limited	161,62
Cursbrian Newspapers Group Limited	
The Daily Telegraph Limited	4,000.00
Eastern Counties Newspapera Group Limited	1,623,28
East Anglian Daily Times Co. Limited	1,623,28
Figet Holdings P.L.C.	
Express Newspapers p.Lc.	891,33
Scottish Express Newspapers Limited	811.64
South Wales Argus Limited	811.64
Formen Herdy Holdings Limited	811.64
The Guardian and Manchesler Evening News pic	3.040.54
The Haillax Courier Limited	609.63
Hirst, Kudd & Rennie Limited	405.82
Home Counties Newspapers pic	550.01
Independent Newspapers Limited	600.01
Internalir "Al Thorston Ornanication Dt C	•
Thomson Regional Newspapers Limited	12,445,14
The Irish News Limited	202 91
Irish Press Limited	378.76
The high Times Limited	202.91
Joseph Woodhead & Sons Limited	500,01
M 1 kurlah	566.25
Kenl Messenger Limited	461.63
Liverpool Daily Post & Echo ple	1,055,13
Lonrho pic	1,000,10
The Observer Limited	174.75
George Outram & Co. Limited	182.61
Mercury Securées pla	,.,
Swafow investments Ltd (note)	15,798,37
Warburco Nominees Ltd. (note)	999.99
	238,29
The Midland News Association Limited	
Shropshire Star Limited	161,62
Express & Star Limited	161,62
M. E. Nelson	679,50
North Wales Newspapers Limited	600,01
Orr Pollock & Co. Limited	201,62
S, Pearson & Son pic	
The Financial Times Limited	600,82
Westminster Press Limited	3.246.55

Selling Shareholder ol 8 Sheros Reed International P.L.C. Metor Group Ne pers Limited. G McG, Rentrew Scarborough & District Newspapers Limited Thomas Crostie & Co. (Holdings) Limited Blackpool Gazette & Herald Limited The Northampton Mercury Co. Limited
Shelfield Newspapers Limited
United Newspapers Publications Limited
York shire Post Newspapers Limited 1,623,280 2,300,056 Yaftendon investment Trust Limited

These holdings resulted from the following transactions:—

(i) the subscription by Warburco Nominess Ltd. ("Warburco") and Swallow Investments Ltd. ("Swallow") of 500,000 B Shares (being the shares issued at pay prior to registration of the Company as a public kimiled company), increased to 1,000,000 B Shares by the capitalisation issue which took place on 8th May.

- (ii) the purchase by Swallow from AAP of £3.560 °C" Stock in Reviews Limited prior to the reorganisation as a result of which Swallow now holds 13,439,000 B Shares;
- (ii) the purchase by Swallow from NZFA of £625 °C' Stock in Reuters Limited prior to the reorganisation as a result of which Swallow now holds 2,359,378 B Shares.

Under the Offer for Sale Agreement, provided that the Offer for Sale and for the U.S. Offering shall take place, the Company will effectively receive by way of additional premium on the B Shares referred to in paragraph (i) and subscribed by the Issuing Houses an amount equivalent to the difference between the amounts paid by Warburco and Swallow for those shares and the amounts which would have been paid for them by the issuing Houses had they been subscribed under the Offer for Sale Agreement.

Share Option Schemes

(f) Share option scheme for U.K. employees
On 2nd May, 1984, the Company adopted a "save as you earn" chare option
scheme (the "SAYE Scheme") pursuant to which non-transferable options to acquire E scheme (the "SAYE Scheme") pursuant to which non-transferable options to acquire B Shares may be granted on or before the date 10 years after the date on which the B Shares are admitted to the Official List of The Stock Exchange (the "fisting date") to employees of the Group, including Executive Directors of the Company, who are subject to United Kingdom income tax (and any other employees who are permitted to participate in accordance with the relevant statutory provisions in the discretion of the Directors) and were employees on the 1st December preceding the date of mutation to apply for options. The maximum number of B Shares that may be issued under the SAYE Scheme and off other share schemes of the Company (foculating the schemes for U.S. employees and for non-LLK, and non-LLS. employees described in paragraphs (ii) and (iii) respectively) is the lesser of 35,000,000 B Shares or 10 per cent, of the issued B Shares of the Company from time to time, unless the shareholders of the Company from the total company in general meeting otherwise approve. The number of shares subject to options for which applications may be made under the SAYE Scheme is subject to the discretion of the Directors. However, all persons who apply for options will be granted th number of options for which application is made (subject to certain adjustments in the ever applications exceed the number of options available and provided that the minimum and maximum savings limits set out in the SAYE Scheme are reached and not exceeded). It is intended that the initial invitation to apply for options will be made within 42 days after the fisting

The exercise price of an option will be not less than 90 per cent, of the middle market price of the B Shares quoted on The Stock Exchange during the three dealing days immediately precoding the date of grant (subject to adjustment in certain circumstances). The holder of the option is required to enter into a five year SAYE contract with a building society designated by the Company pursuant to which the holder agrees to seve a certain sum (inhally not in excess of £50 per month and subject to increase by the Directors to a maximum of £150. per month). Subject to certain exceptions, options must be exercised within six months after the expiration of the holder's SAYE contract, using only the SAYE contract proceeds.

(ii) Share option scheme for U.S. employees On 2nd May, 1984, the Company sdopted an incentive share option plan (the "incentive Plan"). Pursuant to the incentive Plan, non-transferable options to acquire B Shares or B Shares represented by ADSs, may be granted up to 1st May, 1994 to employees of the Group who are either U.S. citizens or, subject to certain exceptions, paid in the U.S. and who were employees on the 31st December preceding the date of grant. The maximum number of B Shares that may be subject to options issued under the incentive Plan is firmed to the lesser of 14,000,000 B Shares (or equivalent in ADSs) or 10 per cent. of the issued B Shares, it is ked that the initial invitation to apply for options will be made within 72 days after the fisting

The evercise price of an option will be not less than the fair market value of the B Shares on the date the option is granted. The holder of the option is required to contribute to a separate savings eccount (a "savings account") under the pension or profit sharing plan in which the holder is a participant sums not in excess of the U.S. dollar equivalent of t maximum sum that may be contributed under the SAYE Scheme which is projected at the date of grant of the option to accumulate with interest over a five year period to a sum (the of grant of use oppositio accumulate with interest over a live year period to a symitime.
"Projected Accumulation" equal to 50 per cent, of the aggregate amount required to exercise in full the option granted. Subject to certain exceptions, an option granted pursuant to the incentive Pran must be exercised within six months after the expiration of the fifth anniversary of the date of grant. The option holder may use part or all of the Projected Accumulation in the savings account in exercising the option. In addition, the Company or one of its subsidiaries will give each option holder at the time of the exercise of an option a cash borus which, after deduction of U.S. tax, will be equal to 10 per cent, of the exercise project of the option.

(iii) Share option scheme for non-U.K. and non-U.S. amployees

On 2nd May, 1884, the Company adopted a Save As You Earn Share Option Scheme pursuant to which non-transferable options to acquire B Shares may be granted on or before 10 years after the telling date to employees of the Group who are not eligible to participate in the SAYE Scheme or the Incentive Plan. Subject as aforesaid, this Scheme is substantially in the same form as the SAYE Scheme, except that the savings vehicle is to be an appropriate financial or savinous exclutions in an uncontrol to the tenth of I.K. or the I.K. or the I.K. Incention of the Incention of the I.K. or the I.K. or the I.K. Incention of the Incention of the I.K. or the I.K. or the I.K. Incention of the Incention of the I.K. or the I.K. or the I.K. Incention of the Incention of the Incention of the I.K. or the I financial or savings institution in any country (other than the U.K. or the U.S.) designated by the Company and in which Group employees are employed, and that the savings permitted will be of an equivalent amount in the relevant currency to those permitted under the SAYE Scheme.

duction of U.S. tax, will be equal to 10 per cent, of the exercise price of the option.

(iv) Share option scheme for senior executives it is also intended to introduce a share option scheme for senior executives of Reuters. The approval of shareholders will be sought for such scheme.

M. ADR Facility

Arrangements are being made for the registration with the U.S. Securities and Exchange Commission of ADSs, and with Mogan Guzranty Trust Company of New York (the "Depositary") for the issue of ADRs. The intention is that each ADS will represent so B Shares, The drangements relating to the issue of ADRs will come into effect when the registration statement held with the With the U.S. Securities and Exchange Commission becomes effective, which is expected to be on or about 4th June, 1984.

(ii) Deposit and withdrawal of B Shares

The procedure for the issue of ADRs will involve the deposit of B Shares with the Depositary's principal London office, whereupon the Depositary will execute and deliver at its Corporate Trust Office, 30 West Broadway, New York, New York 10015, ADRs for the number of ADSs retaining to the deposited B Shares. On surrender of ADRs, toolders of ADRs will be entitled to delivery of B Shares represented by the surrendered ADRs.

(iii) Voting
Upon receipt of notice of any meeting of the Company which holders of B Shares are entitled to attend, the Depository will send the information contained in such notice to the holders of ADRs. At the close of business on a date specified by the Depository, such holders of ADRs will be entitled, subject to the Articles of Association of the Company, to instruct the of ADRs will be entitled, subject to the Articles of Association of the Company, to instruct the Depositary how to exercise any relative voting rights. The Depositary will endeavour to vote in accordance with non-discretionary written instructions. The Depositary will not exercise any voting rights unless it has received such instructions so to do.

(iv) Ownership restrictions
The Depositary is empowered to and has agreed to use reasonable efforts to cooperate with the Company in enforcing the restrictions of ownership of B Shares contained in the Articles of Association, for which purpose the Depositary and the Company may treat

The ADRs and the arrangements with the Depositary (the "Deposit Agreement") may be amended by agreement between the Company and the Depositary, and each holder of ADRs will be bound by any such amendment. The Deposit Agreement may be terminated if the Depositary resigns without a successor, or may be terminated by the Company. Following termination the Depositary will only collect dividends, and sell right on rights issues, and will deliver deposited B Shares and related dividends and rights issue proceeds in exchange for

(vi) Charges of Depositary The Depositary will charge any applicant \$5.00 for each 100 ADSs (or fractions thereof) represented by the ADPs issued or surrendered. The Company will pay certain other charges of the Depositary and those of any registrar or co-registrar under the Deposit.

Contracts

The following contracts entered into by the Company or a subsidiary within the two mediately preceding the date of this Offer for Sale, otherwise than in the ordinary

Applications for:— over 100 shares and up to 1,000 shares

years immediately preceding the date of this Ofter for Sale, otherwise than in the ordinary course of business, are or may be material—

(i) the Ofter for Sale Agreement. See K. Ofter for Sale Agreement;

(a) the Deed of Mutual Covenant. See D. Deed of Mutual Covenant;

(a) Agreement dated 3rd May, 1984 between the Company and the members of PA named in the schedule thereto relating to the acquisation by the Company of all the Second Preference Shares and B Shares of PA. See A. Share Capital;

(a) Deed of indemnity dated 3rd May, 1984 between the Company and PA whereby, the Company of the Sale Shares of the Same group for the purposes

(av) Deed of indemnity dated and May, 1994 between the Company and PA whereby, notwithstanding that both parties are members of the same group for the uproposes of corporation tax on chargeable gains and development land tox, each party shall boar its own and its subsidiaries' liabilities and indemnifies the other therefrom;
(iv) Agreement dated 7th May, 1984 between the Company, PA, INPA members, AAP, NZPA, Swallow investments Ltd., the Executive Directors, the trustees of the

Employee Trust and NPA Nominees relating to the acquisition by the Company of all the voting shares of Reuters Limited not already owned by the Company;

(vi) Maintenance contract dated 1st September, 1981 (as extended by an exchange of letters dated 4th May, 1984) botween Reuters Limited and Cable & Weless (Hang Kong) Limited relating to the maintenance of Reuters Hong Kong data tentre for a Consideration which varies according to the amount of services provided, and (vi) the agreement returned to in paragraph (sa) of J. Certain transactions with Routers.

O. General

(i) Clearances have been obtained under section 464 of the Income and Corporation Taxes Act 1970 and under section 88 of the Capital Gains Tax Act 1979 in relation to this Offer for Sale, the U.S. Offering, the Special Employee Offer and the transactions by which the Company acquired shares in Reukers Limited and PA.

(ii) The Directors are satisfied that, taking account of the net proceeds of the issue of the shares being subschool for the purposes of this Offer for Sale and of the U.S. Offering, the Group will have sufficient working capital for its present requirements.

(iv) S. G. Warburg & Co. Littli siregistered in England from 2926891 and its registered office is at 30 Gresham Street, London ECGP 25B 11. M. Rothschad & Sons Limited is registered in England (no. 925279) and its registered office is at New Court, St. Swittin's Lane, London ECGP 25B 11.

(w) Neither the Company nor any of its subsidiaries has, so far as the Directors are aware, Bry higation or claims of material importance pending or threatened against it.
(v) The expenses of this Offer for Sale, encluding capital duty of £540,009, calculated. on the basis of the Minimum Tender Price and assuming all the 8 Shares issued by the Company are sold in the Offer for Sale but including professional feet, printing and advertises and The Slock Exchange isling fee, are estimated to amount to £2,400,000 and are payable by the Company. The expenses of the U.S. Offering, including professional feet, payable by the Company. The expenses of the U.S. Offering, including professional fees, printing and other costs are estimated to amount to \$2,300,000 and are payable by the Company. The prefirmany expenses of the Company arrang out of the reorganisation (including standay professional, advisory and other expenses arouned by PA, IRPA and certain members of NPA and stributable to the reorganisation amounting to \$470,000 are estimated to amount to \$1,400,000 and are payable by the Company.

(v) The minimum amount which must be raised by the issue of the B Shares now being offered in this Offer for Sale and the U.S. Offering in relation to the matters specified in paragraph 4(a) of Part 1 of the Fourth Schedule to the Companies Act 1948 is \$1,400,000, required for the payment of the prefirmany expenses of the Companie.

(vii) The amount payable on apple ation on exact B Share is the amount tendered per share by the relevant applicant, being not less than the Minimum Tender Price.

(viii) The documents attached to the copies of this Offer for Sale delivered to the Registran of Companies for registration were copies of the Application Forms, the written

Registrar of Companies for registration were copies of the Application Forms, the written consents referred to in paragraph (w), the statement by Binder Hamtyn softing out the adjustments made in arrange at the figures contained in their report (us set out herein) and going the reasons therefor, and copies of the contracts stated in N, Contracts.

[iii] Applications for the B Shares now offered for sale must be received by 5 p.m. on States and M. Contracts.

full Applications for the Biologis now opered for seconds or recovering a plan on Friday, 181 June, 1984, except that applications despatched by post and received not later than 10 a.m. on Saturday, 2nd June, 1984 will be treated as valid.

(a) A Certificate of Exemption has been granted by the Council of The Stock Exchange purcuant to section 39 of the Companies Act 1948.

(v) Certain of the financial information contained in this Offer for Sale constitutes abridged accounts as defined by section 11(8) of the Companies Act 1981. These abridged

acrough have been prepared from the full accounts of the Company's subsidiaves for each of the five financial years to 31st December, 1983 which were prepared under section 1 of the Company's Act 1976, which (save as metioned in the Accountant's report have been delivered to the Registra of Companies and on which Brider Hamfen have made reports under section 14 of the Companies Act 1967. Each such report was an unqualitied report within the materials are to 4.9 at the Companies.

meaning of section 43 of the Companies Act 1980 (on) Binder Hamkin have given and have not withdrawn their written consent to the issue of this Offer for Sale with the inclusion of their letter and report and the references thereto in the form and context in which they are included. Bacon & Woodrow have given and have not withdrawn their written consent to the issue of this Offer for Sale with the inclusion of the references to their in the form and context in which they are included. As an Appraisal Pto Limited have given and have not withdrawn their written consent to the issue of this Offer for Sale with the inclusion therein of the references to them in the form and context in which they are included. Jean Brunet and Therry Lejeuno have given and have not withdrawn their written consent to the issue of this Offer for Sale with the inclusion therein of the references to them in the form and context in which they are included (wiii) The B Shares will not be "wider range investments" within the meaning of the

Documents available for inspection

The following documents, or copius thereof, may be inspected at the offices of Linklaters & Pames, Barrington House, 59-67 Gresham Street, London EC2V 7JA, during usual business hours on any weekday, Saturdays and public holdors excepted, until 1st June, 1984 or until the Application List closes, whichever is the later.—

(i) the Memoranda and Articles of Association of the Company, Reuters Limited and the

Founders Share Company: (4) the NPA Shareholders' Agreement;

the audited consolidated accounts of Reuters Limited for the years ended 31st December, 1982 and 31st December, 1983;

the Accountants' report and the statement of adjustments relating thereto;

(v) the written consents referred to in paragraph (w) of O. General.

(v) a copy of the Pretimerry Prospectus field with the U.S. Securities and Exchange Commission in connection with the U.S. Oftening:

(vii) the Bules of the SAYE Scheme, a copy of the Savings Plans and the Incentive Plan and

the Rules of the share option scheme for non-U.K. and non-U.S. employees;

(viii) the contracts issted in N. Contracts; (v) the letters relating to the profit forecast; and (r) drafts of the Deposit Agreement and the agre-

(2) Amount enclosed

drafts of the Deposit Agreement and the agreement proposed to be entered into between, inter also, the Company and the U.S. Underwinters relating to the U.S. Offering

(2) Striking Price Applications must be for a minimum of £200 and a

be for a minimum of £200 and a multiple of £100 with a maximum of £1,000.

For office use only

Acceptance number

3. Amount received £

4. Amount payable

Daled 15th May, 1984.

Procedure for application

No person receiving a copy of this Offer for Sale and/or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation to him, nor should be in any event use such Application Form, unless in the relevant territory such an invitation could lawfully be made to him or such Form could lawfully be used without compliance with any registration or other legal requirements. It is the responsibility of any person outside the Unded Kingdom wishing to make an application hereunder to satisfy himself as to full observance of the laws of the relevant ferritory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities needing to be observed in such territory. No applications will be accepted from U.S. persons. "U.S. person" means any individual who is a national of or resident in the United States, its territories or possessions or any corporation, pension, profit-sharing or offier trust or other entity organised under or governed by the laws of the United States, its territories or possessions or any sion thereof and shall include any United States branch of a

ınd Newspapers pic ...

Applications (other than those on special forms provided for qualifying employees and pensioners of Reuters Limited and its subsidiaries) must be for a minimum of 100 shares; applications for up to 1,000 shares must be in multiples of 100 shares; over 1,000 shares and up to 5,000 shares in multiples of 500 shares; over 5,000 and up to 10,000 in multiples of 1,000 shares; over 10,000 and up to 100,000 in multiples of 5,000 shares; and above 100,000 shares in multiples of 10,000 shares. No application for any other multiples of shares will be considered. Applications must be made at the Minimum Tender Price or at any higher

price per share which is a whole multiple of 2p. Applications may, however, be made at the Striking Price if the amount tendered is not less than £200 and must be a multiple of £100 with a maximum of £1,000. Applications (other than those at the Striking Price) lodged without a price

being stated will be deemed to have been made at the Miramum Tender Price. Applications, which will be irrevocable until 11th June, 1984, must be made on the Application Forms provided. Photocopies will not be accepted. Instructions for delivery and payment

The Application Form must either be sent by post or lodged by hand together with the appropriate payment as follows:—

Applications should be posted so as to be received not later than 10 a.m. on Saturday, 2nd June, 1984 to either of the addresses as follows:—
either Bank of Scotland, New Issues Department, P.O. Box 267, 38 Thysadneedie Street, London, EC2P 2EH; Barclays Bank PLC, New Issues Department, P.O. Box 123, Fleetway House, 25 Famingdon Street, London, EC4A 4HD.

OR BY HAND:-Applications should be lodged by hand so as to be received not later than 5 p.m. on Friday, 1st June, 1984 as follows:—

Bank of Scotland, New Issues Department, P.O. Box 267, 38 Threadneedle Street, London, EC2P 2EH; In London: either Berclays Bank PLC, New Issues Department, P.O. Box 123, Fleetway House, 25 Farringdon Street, London, EC4A 4HD.

Bank of Scotland, Registrar Department, 26a York Place, Edinburgh, EH1 3EY. in Edinburgh: Each application must be accompanied by a separate cheque or banker's draft, drawn in sterling on a branch in England. Scotland, Wales, Northern Ireland, the Charmetistands or the Isle of Man of a bank which is either a member of the London or Scotlish Clearing Houses or which has arranged for its cheques and banker's drafts to be cleared through the lackities provided for the members of those

panker's grains to be cleared infough the technies provided for the member 50 is used Clearing Houses (and must bear the appropriate sorting code number in the top right hand comen) made payable to "Reuters Offer for Sale" and crossed "Not negotiable", representing payment in full at the price at which application is made. An application will not be considered unless these conditions have been fulfilled. The Issuing Houses reserve the right to instruct the Receiving Bankers to

present all che's os and bankor's drafts for payment on receipt and to retain Letters of Acceptance and surplixs application mones pending the clearance of the successful applicants' cheques. Due completion and delivery of an Application Form accompanied by a cheque will constitute a warranty that the cheque will be honoured on first presentation; attention is drawn to the declaration in the Application Form to

Basis of acceptance

3.00

Subject as aloresaid and as mentioned below, applications will be

1. All shares for which applications are wholly or parity accepted will be sold All shares for which applications are wholly or parity accepted will be sold at the same price (the "Striking Price"), which will be not less than the Minimum Tunder-Price. The Striking Price will not necessarily be the highest price all which sufficient applications (including applications at higher prices) are received to cover the total number of shares allocated to this Offer for Sele in deciding the Striking Price and the basis of allocation the Issuing Houses will have regard, inter alia, to the reservation of sufficient shares for any U.S. Offering at, as nearly as practicable, the same price as the Striking Price and the need to astablish a reasonable market in the shares in the United Kingdom.

2. The Issuing Houses reserve the right to refuse any application, in whole or part, regardless of the application price; multiple or suspected multiple applications are liable to be rejected. Applications for shares at prices less than the Striking Price with not be accepted. than the Sirking Price will not be accepted.

3. The Striking Price and the basis of allocation will be announced on or as soon as possible after 4th June, 1984.

Preferential consideration will be given to applications received from qualitying employees and pensioners of Reuters Limited and its subsidiaries for up to a total of 3,000,000 shares if made on the special pink application forms made available to them. These will specify amount of money to be expended (up to a maximum of £4,800) at the Striking Price rather than the number of shares applied for. In addition, such ns may specify the maximum price at which the applicants are prepared to apply for shares.

5. Up to one third of the shares sold under this Offer for Sale may be allocated on a preferential basis to selected applicants for large numbers of shares at the Striking Price, at the discretion of the Issuing Houses.

General

Acceptance of applications will be conditional upon the B Shares of the Company issued and now being issued or offered being admitted to the Official List of The Stock Exchange not later than 1st June, 1984. Monies paid in respect of applications will be returned it such admission to the Official List has not been inted by that date and, in the meantime, will be retained by the Receiving

If any application is not accepted, the amount paid on application will be returned in full and, if any application is accepted for fewer shares than applied for and/or if the applicants have tendered more than the Striking Price and/or if applicants tendering at the Striking Price have not been allocated shares which absorb the money tendered in full, the balance of the amount paid on application will be returned, in each case by cheque through the post without interest. It is will be returned, treat it case by case will be posted to successful applicants not later than Friday, 8th June, 1984.

Letters of Acceptance will be renounceable up to 3p m, on Tuesday, 17th July, 1984. The B Shares now being offered for sale will be registered free of stamp duty and registration less in the names of the purchasers or persons in whose favour Letters of Acceptance have been renounced provided that, in the case of renunciation, Letters of Acceptance duty completed in accordance with the instructions contained therein are lodged for registration on or before 3 p.m. on

Thursday, 19th July, 1984. Share Certificates will be despatched not later than Thursday, 16th August, 1984. Application will be made to the Council of The Stock Exchange to authorise dealings in the Letters of Acceptance and dealings are expected to commence shortly after the basis of allocation is announced.

Deatings prior to receipt of a Letter of Acceptance will be at the applicant's risk. A person so deating must recognise the risk that an application may not have been accepted to the extent anticipated or at all.

The issuing Houses will pay to recognised stockbrokers and banks in the United Kingdom and to other financial institutions outside the United Kingdom.

accepted for this purpose by the issuing Houses a commission of 34 per cent. of accepted for this purpose by the issuing notices a commission of a per cent. of the Striking Price on acceptances in respect of applications (other than applications on special forms provided for use by employees and personers) bearing their stamp. However, no payment will be made to anyone who would receive a total commission of less than \$10. All documents and cheques sent by the total life personer abuiltable to the control of the series of th

post will be sent at the risk of persons entitled to them.

If making an application (other than a Striking Price Application) insert the number of B Shares for which application is made in box (1), the price per B Share tendered in box (3) and the amount tendered in box (2). If making a Striking Price Application insert the words "Striking Price" in box (3) and the amount tendered in box (2).

Copies of this Prospectus with Application Forms, on which alone applications may be made, may be obtained from:-

S.G. Warburg & Co. Ltd.
30 Gresham Street
London EC2P 2EB
New Court Cazenove & Co 12 Tokenhouse Yard London EC2R7AN London EC4P4DU Bank of Scotland Barclays Bank PLC 3rd Floor 55 Old Broad Street P O 50: 123 Fleeta ay House 25 Farringdon Street London EC4A 4HD London EC2P 2HL and at the following branches of Bank of Scotla

Edinburgh: Regular Department 262 York Place Dundee: 11-19 Reform Street Dundee CD1 9AU Econouign EH1 3E (and at the following branches of Barclays Bank PLC:-Birmingham: P O Box 34 Cardiff: P 0.8ox 69 Stock Exchange 8 Angel Court 63 Comore Row ngham B326Y Bnatc:62297A3 Cardin CF 1 15G London EC2R7HT

Leeds: 37 Park Row LeedsLS1 1HS

P C Box No. 35* 17 York Street

P O.Box 2 7yne: P.O.B.: No. 10A 30 Hugh Street Collingwood Street Southampton 509 7AB 1595 ICA

Application Form

Reuters Holdings PLC

Offer for Sale by Tender

S. G. Warburg & Co. Ltd. and N. M. Rothschild & Sons Limited

of 57,000,000 B Ordinary (Limited Voting) Shares of 10p each at a Minimum Tender Price of 180p per share, the price tendered being payable in full on application (1) Applications (other than Striving Price Applications) must be for a minimum of 100 B Shares and thereafter for the following multiples of B Shares:—
Applications for—

(1) Number of 8 Shares for which

application is made

over 1,000 shares and up to 5,000 shares: over 5,000 shares and up to 10,000 shares: 10,000 shares and up to 100,000 shares: over 100,000 shares: (3) EITHER the tender price (being 180p or a higher price being a whole multiple of 2p)
OR the words "StrAmp Price" (if the application is for not more than £1,000 aggregate amount). (3) Price per B Share al which p To; S. G. WARBURG & COLLID. and N. M. ROTHSCHILD & SONSLIMITED

I/We enclose a sterring chaque or banker's draft payable to "Reuters Offer for Sale" for the above mentioned sum being the amount
payable in the on application for the stated number of B Ordinary (Limited Voling) Shares of 10p each (the "B Shares") of Reuters Holdings PLC

(the "Company") at the price per B Share indicated above, or, as the case may be, the sum payable on my/our Striking Price application and

I we often to purchase that number of B Shares or the number of B Shares that amount will purchase at the Striking Price and I we agree to
accept the same or any smaller number in respect of which has application may be accepted at the Striking Price upon the terms of the Otter for
Sale dated 15th May, 1984 and subject to the Memorandum and Articles of Association of the Company. If We requised that you send for me/us

at tally paid remounceable Letter of Acceptance in respect of such B Shares, together with a cheque for any moneys returnable, by roost at
my/our risk to the first address given below and procure that my/our name(s) be placed on the register of members of the Company as
holder (3) of such of the B Shares adocated to me/us of any as have not been duly renounced.

In consideration of your agreement on accept and process applications upon the terms and subject to the conditions of the said Offer for
Sale. If we agree that this application shall be irrevocable until 1 th June, 1984 and that this paragraph shall constitute a collateral contract
between me/us and you which shall become binding upon despation by post or delivery of this application form to Bank of Scotland or Barclays
Bank PLC, duly completed.

If We declare that I we am/are not (a) U.S. person's basic or the purpose the them among set out in the Offer for Sale.

In the meaning set out in the Offer for Sale. To: S. G. WARBURG & CO. LTD. and N. M. ROTHSCHILD & SONS LIMITED

has for this pur L/W constitutes	pose the meaning set out in the Offer for Sale. In inderstand that the completion and delivery of this Application Form, accompanied by a cheque a warrapty that the same will be knowned on first presentation. I/We acknowledge that renounceable occupiance and any cheques for any moneys returnable to me/ms are liable to be held pending clearance.	£
Letters of A of applican	cooptance and any chaques for any moneys returnable to me/ as are sable to be held postelling clearance is chaques and banker's drafts. Dated	5. Amount returned £
Piense use Biock Gapitals	eForename(s) (in full) Survaime and designation (Mr., Mrs., Miss or Title) *Address (in full) In the case of joint applications all applications are applications are applications.	
	2. Signature	ss or Tale)
Piease pin your cheque here	3. Signature Surname and designation (Mr., Mrs., Miss or Title) Forename(s) (in full) Address (in full)	

Any signifying on behalf of a Corporation should be that of a duty authorised official who should state his representative capacity. If this form is signed under a Power of

For office use only		Stamp of agent claiming commission	VAT Registration Num
Acceptance number	Number of B Shares		
	l i		
			i
			(if not registered put "NO

Setback in foods division but GrandMet shows rise

ALL DIVISIONS at Grand Metropolitan, with the exception of foods, returned improved trading profits in the half-year to March 31 1984. The foods division suffered a decline from £15.5m to £8.7m, but group trading profits overall rose from £171.4m to £199.1m.

Turnover of this greatly diversified group—its interests include Watney Mann and Truman brewers, Berni Inns, Express Dairies, Mecca Book makers, Mecca Leisure, and Warners Holidays—increased by £346.5m to £2.44bn.

At the pre-tax level, there was a rise from £113.6m to £147m, which was struck after interest charges down from £57.8m to £52.1m. The interim dividend is effectively raised from 3.23p to 3.7p net, and earnings per 50p share are higher at 13p compared with 10.7p. Dividends absorb £26.9m (£23.3m).

Mr S. G. Grinstead, the chairman, says in his interim report that in the UK the increased trading profit earned by brewing trading profit earned by brewing reflected the continuing drive of recent years for greater efficiency, and the results of the consumer services division began to show the benefit of the reorganisation of the group's retailing activities a year ago.

Food, however, suffered a further setback, arising in the main from intense pressure on selling prices for cheese and other monufactured dairy products

Mr Grinstead says that almost every operating company in the United States increased its trading profit and the results of consumer products benefited on translation into sterling from the

weakness of sterling against the dollar also contributed to the

A complete breakdown of turn-

BOARD MEETINGS

DUARD	1) MM ()	
Interims: General Stockholders Investment Trust, Hemiliton Oil Corporation, Mejedie Investments, NSS Newsagents, Stockholders Investment Trust, United Scientific, Valin Pollen International. Finals: Chamberlin and Hill, City of O x f o r d Investment Trust, Clarke Nickolls and Coombs. Duport Electra Investment Trust, Hartwelts, Henderson Group, Usher-Walker, Witten Investment. FUTURE DATES Interims— Consolidated Company Buffontein Mine Groupol West Diamond	Pleasey Prince of Weles Hotels Sangere Photographics Smith Brothers Tronch Mines Maleysia Weeks Associates Western Docars Tes	May
16 ng 21		

Since the end of the half-year,

Grand Metropolitan has been active with the sale of its CC

Taken all round, Grand Met's

F.W. Travel, Beth and Com-

pany (UK), Franpack, Dennis Car Radio, Hushurst and North Sea Container Line.

Sea Container Line.
Cornwall Bros Transport Company, Ratcliffe and Company
(Joinery), Western Citrus,
Frayson Impex, Harrington and
Harrington, B and C Builders
and Decorators, Raftpage, April

comment

£550.8m (£496.9m) and £32m (£28.4m); foods, £352.8m (£330m) (228.4m): foods, £352.8m (£330m) and £8.7m (£15.5m); U.S.—consumer products, £571.9m (£377.7m) and £60.4m (£43.7m); International—hotels, £153.4m (£13.4m) and £8.7m (£6.4m); wines and spirits, £492.4m (£462m) and £59.1m (£52m). In the corresponding period last year, oil and gas incurred a trading loss of £1.5m.

First half tax totalled £48.5m, First half tax totalled £48.5m, against £34.1m, and the chairman points out that the proposed revisions in rates of UK corporation tax and tax allowances on capital expenditure, will not give rise to any charge for deferred tax in respect of the current year, nor should they call for a provision of a material amount to be made in respect of prior to be made in respect of prior

It is estimated that the net effect of extraordinary items for the half-year to March 31 1984 will be a credit of £10.7m against a credit of £4.5m.

effect of the fall of some 8 per cent in the average value of sterling against the U.S. dollar. activities of the group continues to reduce the imbalance between weakness of sterling against the weakness of sterling against the dollar also contributed to the significant advance in trading profit achieved by wines and spirits; and hotels started to make headway after the organisational changes of the last two years.

A condition of the year, he says.

GrandMet USA Inc's negotiaover and trading profit by tions with management and out-division shows: UK—brewing, side investors for the sale of £317.6m (£201.7m) and £30.2m Liggett and Myers cigarette (£26.9m); consumer services, business are continuing.

175 companies wound up

The Professional Data-Bank and Roy McCarthy.

Voltearry, Wibau Blau Knox, Unit Continental, Solent Vending Services, Primstone, Parkglow Transport, Lichfield Street Motors, Bishop Auckland Roadstone and Fleetclass.

Lansear Building Maintenance, Courtie Music Gaoffray Vonns Konay Catering Company.

Separates, Battersea Recorns, Concount, D.B.W. Borough, Intertime Products, Hawain and Energy Marketing Services, Graphic Colour Laboratories, Novafound, Concold Engineering (Installations), M.V.W. Electrical and Konayay Catering Company.

Ing Services, Primstone, Parkglow Transport, Lichfield Street
Motors, Bishop Auckland Roadstone and Fleetclass.

Lansear Building Maintenance,
Curtis Music, Geoffrey Young
(Coin Exchange), Key Components (UK). Relations,
Acclaimed, F. W. Musgrove &
Sons (Cleaning) and Kirby
Coachworks.

Rolly Toys, Verwood Plant,

E. Birkett, Plimberry, Mentech
Marketing Services, Graphic
Colour Laboratories, Novafound,
Concold Engineering (Installations), M.V.W. Electrical and
Kenray Catering Company.

Applespeed, S J D Construction, Etam Kiddies Clothes,
Sarbret, Pearlrose, Limitgown,
Dexterstyle, Highgate Bakeries
and Sovereign Furniture Centre.

Hunter Saphir 39% up at £1.5m

USM bound

By Charles Batchelor

Hunter Saphir, a supplier of fresh produce to major retailers such as Marks and Spencer and

Saphir plans to offer for sale about 10 per cent of its equity with about 2 per cent coming from existing shareholders and 8 per cent in the form of new

Saphir, which for the past two Saphir, which for the past two years has traded as Hunter Industries, increased its total dividend from 6p to 9.55p per share in the year ended February 29 1984. Pre-tax profit rose to £1.52m from £1.09m on turnover which increased to £63.2m from £59.3m.

The company was set up in Soft Drinks business to Coca Cola, the world's largest soft drinks operation. It has also sold its 22.5 per cent holding in Pleasurama, a casino operator, for nearly £27m.

£63.2m from £59.3m.

The company was set up in 1938 by the current chairman, Mr Joe Saphir, now aged 66, who established a chain of wholesale market stands. It began supplying large retailers directly during the 1950s and has now disposed of 14 of its 16 wholesale market branches.

Saphir formed a joint-venture company EKP-Saphir with East Kent Packers, a fruit growers' co-operative, in 1971 and the two companies interests were

Taken all round, Grand Met's progress looks remarkably serene—turnover up by 17 par cent, and trading markins absolutely steady. Divisionally, though, the ride was bumpier; in particular, Express Dairies is now paying a heavy price for being the only big player left in the commodity butter and cheese markets to challenge the dominance of the MMB. The offsetting bonus was the remarkable continued growth in the U.S. consumer division. companies interests were merged completely in March 1982. The company is now owned 56.55 per cent by the Saohir family and their trusts, 40.95 per cent by East Kent Packers members—who are offering a 2 per cent holding for sale—and sanior employees with 25 per the remarkable continued growth in the U.S. consumer division. The chief contributor this time was not the Liggett tobacco business, whose very strong volume growth in generics was bought at the expense of foregoing price rises. Instead, the star performer was what the group terms its diversified products division—a name not to be taken lightly, covering as it does such apparent winners as Liv-A

senior employees with 2.5 per cent. Saphir comprises sapnir comprises four divisions: Hunter Produce is the largest fresh produce supplier to Marks and Spencer and also supplies Asda, International Stores, Safeway, Tesco and Waitzens

such apparent winners as Liv-A Snaps pet treats and the Body Tone 300 rowing machine. The Waitrose. Tone 300 rowing machine. The Liggett sale, meanwhile, is still some months away, but the proceeds are already marked down for further U.S. expansion. Full year profits should now be in the region of £350m, putting the shares—unchanged at 340p—on a prospective multiple of around 10 Waterose.
Hunter Distribution distributes
Saphir's produce as well as
products such as toys, chemicals products such as toys, chemicals and fertilisers for outside manufacturers. It also operates two distribution centres at Canterbury and Radlett, Herts, handling dry goods for Sainshury

bury. Saphir moved into preparation and supply of pre-pared food dishes for Marks and Spencer 18 months ago and now has spent just over fim setting up a semi-automated plant at its 18-acre distribution site at Faversham in Kent. This division trades as Saphir Foods.

It plans to extend the range of distribution with the control of the control of

COMPULSORY winding up orders against 175 companies were made in the High Court. They were:
Canonsgrove, Constructions Services (Nottm), William Ling & Associates, NVA Consultants, Denton & Tapley, Lensonpam, John Daly (Plant Hire) and G.A. Keen.
Sunninghill Heating Services, Tome Wholesaling, Dolmur Trader Service, Pallet Leasing, Thorne Management Services, The Professional Data-Bank and Roy McCarthy.
Voltcarry, Wibau Blau Knox, Unit Continental, Solent Vendage of the Miles of the of dishes out of the fresh fruit salad and Chinese-style "stir fry" vegetables into the dairy and meat ranges. It already offers a pommes dauphinoises offers a pommes caupminoises dish, prepared, like its other recipes, by a former chef at London's Dorchester Hotel.
Saphir bought a 614-acre farm near Maidstone, Kent, in April 1982 to use as a model farm for the grounds around the world

1862 to use as a model farm for the growers around the world who supply it with fresh produce. This is now its fourth division, Hunter Farms. Saphir plans to use its USM listing as a basis for acquisitions, particularly in the prepared dick ared dish | appointed a Receiver on May 8,

area but also in the fields of produce procurement and distribution. distribution.

Mr Saphir pointed out that the company had achieved continual profit growth from £518,000 in 1980 despite the cost in recent years of establishing its recipe dish factory, the purchase of the farm and the cost of disposing of its wholesale market branches.

Tewkesbury.

Tost production in margins.

Strenuous efforts are being made to recover as planted in early 1985, but a serious delay has already lovels and the longer-term position "remains most encouraging in efforts are being made to recover as planted in early 1985, but a serious delay has already lovels and the longer-term position "remains most encouraging in efforts are being made to recover as planted in early 1985, but a serious delay has already lovels and the longer-term position "rema

The profit was attained on

turnover up £544,000 at £63.73m, and was subject to tax of £2.75m compared with £2.82m.

An unchanged interim dividend of 2p net per 25p ordinary has been declared. Last year's such as Marks and Spector and Sainsbury, yesterday announced a 39 per cent increase in 1984 pre-tax profit to £1.52m ahead of the proposed quotation on the Unlisted Securities Market at the end of this month.

Seeble plans to offer for sale interim period are shown as 7.5p interim period are shown as 7.5p (7.2p)—mloorities amounted to £94,000 (£33,000).

with Martin Marietta now has a not keep up is rapid growin rate, third partner, Siemens AG. This combination should prove to be a "powerful force" in the European defence electro-optics market, the directors say.

In the U.S. work has started on the construction of a new company seems to be standing only a 2.8 per cent rise in pretax profits, were no surprise and the shares added 5p to 270p. The company seems to be standing of the started that was with the order hook.

United Scientific £6.9m at halfway

The new Electro Optics
Systems company formed jointly with Martin Marietta now has a third partner, Siemens AG. This hence the sharp under-In the U.S. work has started on the construction of a new factory for Ni-Tec which will be located close to OEC in Dallas to which it will move in 1985. This facility will be the most modern image intensifier factory in the

SLIGHTLY Higher taxable profits of £6.9m, against £6.71m, were achieved by United Scientific Holdings, a manufacturer of armoured vehicles, optical and electrical equipment, in the six months to end-March 1984.

Although the company's order book is at the same level as at this time last year, the directors say that current indications point third generation tubes.

Although the company's order poised to serve the very significant market now developing in third generation tubes.

Comment

Comment

Comment Alvis might win the order for the new British tanks. Pre-tax profits this year, to September, of £16m, against £15.2m in 1982-83, would

Chesterfield

Properties

all at

at mal

acracil

Costs hold back Hinton growth

MUCH HIGHER depreciation and interest charges have eaten into the profits of Amos Hinton and Sons, a North East England supermarket and off-licence operator. The dividend for the year ended March 3 1984 is held at 8p net, with a final of 5.6p.

Sales for the year increased from fi12.88m to fi125.66m and the operating surplus from fi3.41m to fi3.84m. But depreciation takes f1.7m (f1.4m) and interest f231,000 (f2,000), to leave the profit before tax at f1.91m, against f2.01m.

The directors warn members are expected to improve on their profit contribution.

After tax of f198,000 (f283,000) last year and is spending f7m in this, opening new stores and refurblishing old ones and building up a chain of 28 off-licences. The difficulty is that the company must finance this expansion while its market is being squeezed—profits last year were up 13 per cent at the operating event of the prospects of medium size against the giants of the trade. Certainly, Hinton last year failed to balance, Hinton in the sound but the finance charges. At least the match expectations precisely be-

at 8p net, with a final of 5.6p.

Sales for the year increased from £112.88m to £125.66m and the operating surplus from £3.41m to £3.84m. But depreciation takes £1.7m (£1.4m) and interest £231.000 (£2.000), to leave the profit before tax at £1.91m, against £2.01m.

The directors warn members that profit growth in the supermarkets is anticipated to be limited by the finance costs of the company's developments, and continuing level of competition. However, the off-licences

£100,000 (£244,000).

£100,000 (£244,000).

F100,000 (£244,000).

The comment it is expansion while its market is being squeezed—profits last year were up 13 per cent at the operating from the struggle against the giants of the trade. Certainly, Hinton last year failed to match expectations precisely because customers went shopping at superstores, particularly at the company is fighting hard to develop its traditional market place—the normal fits market is being squeezed—profits last year were up 13 per cent at the operating from the superstore sheet is sound with gear-ing only 16 per cent despite the extra capital spending. On match expectations precisely because customers went shopping at superstores, particularly at the company is fighting hard to develop its traditional market place—the normal fit is market is being squeezed—profits last year were up 13 per cent at the operating level, but down 5 per cent at the operating level, but down 5 per cent at the operating level, but down 5 per cent at the operating level, but down 5 per cent at the operating level, but down 5 per cent at the operating level, but down 5 per cent at the operating level, but down 5 per cent at the operating level, but down 5 per cent at the operating level, but down 5 per cent at the operating level, but down 5 per cent at the operating level, but down 5 per cent at the operating level, but down 5 per cent at the o

switch between the different funds will not create a capital gains tax liability, only an out-right sale will.

Quilter, which has funds under

management of £1bn will be responsible for the investment advice for the European and North American funds; GT Management will advise on the

In all three funds, the invest-ment policy will be directed to-wards capital appreciation rather than immediate income. The managers intend to invest in

mainline stocks with better than

average growth prospects, although they will have permission to put part of the portfolios in smaller and unlisted

Far East investments.

asset growth For the year 1983 Chesterfield Properties has lifted its earnings from 13.16p to 14.91p per share, and shareholders are to receive a 1p increase in their dividenda final of 5.5p making a total of 9.25p. The net asset value has risen from 520p to 545p per share. Gross income moved ahead from £8.09m to £8.9m, including £7.68m (£7.2m) from property investment. Net income from completed properties came to £6.18m, against £5.73m; interest charges were £571,000 (£712,000) and taxation £2.66m (£2.42m).

leaving the net income avaliable at £2.94m (£2.6m). The dividend absorbs £1.83m (£1.63m). The interest charge excludes development outgoings of £1.73m (£1.59m), net of tax relief £878,000 (£810,000).

Investment properties have been revalued professionally at £121.34m, on an open market basis at December 31 1983. This incorporates sites held for or in course of development at cost, including interest net of tax relief, and produces a net asset value of 545p per share. The inclusion of interest in the cost of

properties represents a change in accounting policy this year; on a like basis the asset value at end

Comcap

Warldley London announce that the Offer for Sale of 5.5m ordinary shares of Comcap at 120p per share has been 37.6 times subscribed. The shares are being allocated on the following basis: For 100 to 1,000 shares: a ballot for 100 shares; for 1,500 The initial yield is likely to be similar to the average yields of the respective markets.

Quilter decided to apply for a stock market quote so that some investors, particularly European, would not be constrained from investing, and so that it could be easily sold to the general public.

a ballot for 100 shares; for 25,000 to 20,000 shares; 1,250 shares; 50 60,000 to 20,000 shares; 1,250 shares; for 10,000 to 250,000 shares; 5000 shares; for 260,000 to 500,000 shares; 13,000 shares; for 770,000 or more: 25,000 shares.

Listing for Quilter offshore fund

mission, or investors can buy through the stock market.

The stock market price of the shares is, therefore, likely to

Applicants can buy shares in any or all of the equity funds, commission, but with a \$30 with a minimum investment of 2,500 shares in each. After the Quilter has legal advice that a Quilter Goodlson is taking the unusual step of bringing an open-ended investment company, registered in Bermuda, to the can issue more shares weekly at a price based on the net asset value of the fund plus a maximum 5 per cent sales commission or the sales commission or stock market.

The company, called the Quadrant Intercontinental Fund, Quadrant Intercontinental Fund, will offer investors the choice of three equity funds covering the European, North American and Far East markets. Investors will be able to switch between the three equity funds.

The prospectus for the issue will be published on May 24 and applications for shares must be made by June 14. Shares are being issued at \$1.02, the 2 cents being sales commission which goes to Quilter International

remain close to the asset value of the fund. The managers will also redeem shares. The redemption and subscription prices will be the same—there will not be a bid and offer spread. goes to Quilter International Management, though applicants can pay in sterling. Converting shares from one equity fund into another will be done at the respective weekly Telemetrix cannot meet

THE DIRECTORS of Telemetrix, February. THE DIRECTORS of Telemetrix, electronic equipment manufacturer, have revised the profit forecast made at the time of the public offer for sale last September. They now doubt whether the foreseen f3.2m profit can be met, and are unable to specify the extent of the shortfall.

The problem arises, they state, from the difficulties experienced by Modern Building Services

(Bristal) This company which stantially higher costs.

The directors say that there is the stantially higher the light production of the shortfall.

The problem arises, they state, from the difficulties experienced by Modern Building Services

The directors say that there is the company which sharply reduced output last month and resulted in substantially higher costs.

Tewkesbury. pensate for lost production and Telemetrix has assumed direct the reduction in margins.

COMPANY NEWS IN BRIEF

£3.2m profit forecast

by Modern Building Services The directors say that there is (Bristol). This company, which now insufficient time before the had been building two new backlog originating from earlier facilities for Telemetrix at component shortages and to com-

Sons (Cleaning) and Kirby Coachworks.

Rolly Toys, Verwood Plant, M.P. Marketing, Middlestar, World Cleaning & Maintenance Services, Master Services, Clapham Auto-Electronics and McCann Construction.

Norman Sykes (Builders), T and A Cooper Contractors, Camber International (England), Camber Engineering, Eldonmay, Gloveplan and Guardglaze.

Motor Cycle World (Bradford), Re-Print (Western), D & R Sinclair, Homecare (UK), Ryeland Fabrications, Bejoss, Ritebush and Milano Shoes.

Dexterstyle, Highgate Bakeries and Decoration, Electronics and Pipe and Supply International.

Sinclair Homecare (UK), Ryeland Fabrications, Bejoss, Ritebush and Milano Shoes.

Dexterstyle, Highgate Bakeries Electronics and Pipe and Supply International.

Sinclair Homecare (UK), Ryeland Fabrications, Bejoss, Ritebush and Sovereign Furniture Centre.

James & Diane, Parkgate Kitchens, Adequate Weighers, Icon Insulations, Tergal (Car Vindow), Sales), Tony Parsons, Haughton Products, B and H Catering (Bicester), Lanson Plastics, A to Z Windows (London), Chuck Homes, Westminster Consultants (Engineering) and Magnus Contracting.

Compulsory winding up orders against Midland Cleaning and Bar Services (April 16) and Technate International (March Plant Plant

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three months period 14th May, 1984 to 14th August, 1984 has been fixed at 91% per cent per annum. Coupon No. 3 will therefore be payable at £608.78 per coupon from 14th August, 1984. S.G. Warburg & Co. Ltd.

ISE Canadian Finance Ltd. 9%% Guaranteed Debentures due 1966 Notice is hereby given to Debentureholders that during the twelve month period ended May 1, 1984, there was purchased \$1,495,000 aggregate principal amount of the

LADBROKE INDEX Based on FT Index 875-879 (+5) Tel: 01-493 5261

Profit after tax and transfer stood at £7.8m against £8.9m, to 2.6p. to reserve for contingencies at while interest and other income Pre-tax revenue increased Sectombe Marshall and Campion, contributed £1m (£0.5m), from £2.95m to £3.18m. Revenue discount house, rose from Administration expenses took an from investments was £3.35m Administration expenses took an from investments was £3.5sm to £485,973 in the year to April 30.

There will be an increased final dividend of 14p, up from 13p, to lift the total from 19p to 20p.

The company to £3.1sm. Revenue from investments was £3.5sm unchanged £1.8m, and interest sions earned £20,854 (£10,117) the same again at £1.5m, to leave and interest provided £134,576 (£134,217).

The company to £3.1sm. Revenue from investments was £3.5sm unchanged £1.8m, and interest provided £134,576 (£134,217).

The company to £3.1sm. Revenue from investments was £3.5sm unchanged £1.8m, and interest sions earned £20,854 (£10,117) the same again at £1.5sm, to leave and interest provided £134,576 (£134,217).

The company to £3.1sm. Revenue from investments was £3.1sm. Revenue from i

pany was £88,923, against content of a gain taken in 1982 in respect of the restructuring of a saset investments was £94,659 foreign subsidiary.

(£104,218). Other interest totalled £15,733 (£1,304) and gain on sale of fixed asset investments amounted to £170,307 (£329,686). Administration costs were £60,222 (£46,306).

The dividend is 0.62p per 10p or 10p

ordinary, compared with 0.5p, with earnings shown as 1.97p (0.78p), after tax of £61,000 (£31,741). Pre-tax profits at Advance Services, a subsidiary of British Electric Traction Co., increased

Electric Traction Co., increased from £4.59m to £4.9m for 1983.

The net final dividend has been lifted from 2.5p to 2.7p, which raises the total from 3.5p to 3.8p.

Earnings per 10p share slipped from 6.29p to 6.28p.

Turnover of this supplier of laundry and allied services grew from £37.75m to £40.54m.

The directors say that despite intense competition in the UK, The directors say that despite intense competition in the UK, profit levels were broadly maintained. The year end is to be changed to the end of March and the current period will run to March 31 1985.

Net asset values per 25p share at Outwich Investment Trust rose from 115.3n to 150.2p in the

Net asset values per 25p share at Outwich Investment Trust rose from 115.3p to 150.2p in the year to March 31, 1984. The final dividend is lifted by 0.2p to 1.85p for a total up from 2.4p

13p, to lift the total from 19p (11m).

The company is a subsidiary of Canada.

The co

shipping, freight agency, insur-ance and security.

Unifiex Holdings, furniture manufacturer, turned round from a loss of £995,000 to a pre-tax profit of £161,000 for

provisions for closure and reorganisation costs £128,000 and write-off of premium on short leasehold premises of £30,000.

INVERGORDON **DISTILLERS**

Extracts from Chairman's Review

 Profits for the year of
 The company's sales of £3.6m (1982 £3.9m) were affected by the initial costs of the launch in the USA of the company's main brand Scots Grey. Without these costs profits would have been ahead of last year.

Production levels of new fillings at the company's distilleries were It is expected that the affected by the low demand due to the reassessment by the industry 1983. A final dividend of of future sales growth and 2.5p is being recomthe need to adjust stock mended making a total of

blended whiskies and single malts in bottle showed a modest increase over 1982 despite industry exports being 9% down. Production at Pentland Bond, the company's bottling plant was at a similar level to 1982.

pattern of trading in 1984. will be similar to that of 4p for the year.

Copies of the accounts are available from The Secretary, Invergordon Distillers (Holdings) P.L.C., Ashley House, 181-195 West George St. Glasgow G2 2NL,

COMPAGNIE FRANÇAISE DE L'AFRIQUE OCCIDENTALE

(C.F.A.O.) (Incorporated in France with Limited Liability)

The Board of the Company has approved the Accounts for the financial year ended 31st December 1983 and these will be presented at the Ordinary General Meeting to be held in Marseilles on 20th June next at 10.30 a.m.

Net profit after deductions for depreciation, taxation and all necessary provisions amounts to Frs 78,690,590.23—an increase of 13.17% over the previous year. Consolidation procedures have been harmonised with recommended national accounting standards.

Consolidated Group turnover totalled Frs 11,220 million, an Increase Consolidated Group turnover totalled Frs 11,220 million, an Increase of 10.15% over the 1982 figure. Consolidated net profit is considered satisfactory at Frs 177.5 million (Frs 123.8 million on previous consolidation basis) compared to Frs 116 million a year earlier. These results were achieved despite a reduction in trading profits from Frs 427.9 million to Frs 294.6 million (Frs 216.4 million on previous consolidation basis) due to the difficult economic situations prevailing in both Africa and Europe.

The Directors have decided to proceed with an increase in the issued share capital of the Company, details of which will be announced following a special Meeting of the Board of Directors on 9th May 1984. It is proposed to nominate two new Directors at the Ordinary General Meeting:

Mr. Tristan Vieljeux, Chairman of Société Navaio Chargeurs Delmas Vieljeux,

Mr. Jean-Pierre Le Cam, General Manager of the Company. Copies of the 1983 Annual Report and Accounts may be obtained from the Registered Office, 32 Cours Pierre Puget, 13006

The Government of the Republic of Sri Lanka

Medium Term Loans

to provide finance for a contract **GEC Electrical Projects Limited**

Airport and Aviation Services (Sri Lanka) Limiteli

£15,676,959 BUYER CREDIT

in relation to the development of Colombo Airport

provided by

Manufacturers Hanover Trust Company

with the payment guarantee of **Export Credits Guarantee Department**

> U.S.\$8,540,000 EURODOLLAR LOAN

provided by Manufacturers Hanover Trust Company

arranged bu Manufacturers Hanover Export Finance Limited

MAY 1994

Current year starts well at Brewmaker but margins suffer

THE FIRST three months of the year, using most ITV regions current year at Brewmaker had and also Channel 4.

However, he pointed out that

ciated that our business is turer, Mr Sanders said. seasonal, and the majority of He said that: "We n our profit is earned in the last few months of the year, although

able and I am confident 1984
will be a satisfactory year."
He went on to say: "A recent
independent market research
report made late last year on
homebrew beer kits in our
markets shows that the Brewmaker beer brand is now second
equal in the league table to the
brand leader.

"We intend to build on this
success and will shortly have
finalised details for our first
nationwide TV campaign, to be
screened in the summer this

started well with turnover considerably up on the corresponding period, said Mr Colin bringing the range to 17 Sanders, the chairman, at the annual meeting.

The warrant of the chairman and also thannel 4.

"Four new Brewmaker beer when the introduced this year, in bringing the range to 17 varieties, the most extensive in the UK," he added.

Another area in which the However, he pointed out that the company was experiencing increasing pressure on profit margins, which was to be expected in view of the considerable increase in competition that the company now had to face.

He added: "It must be appreciated that our bearings is considerable increase in competition that the company now had to face.

He added: "It must be appreciated that our bearings is increased." It must be appreciated that our bearings is the company was making significant progress, he said, was the home fizzy drinks market. He pointed out that market was estimated to be worth over £40m at retail, and growing strongly. At the moment an estimated \$0 per cent was dominated by one manufacture. We Sanders said.

He said that: "We now have a top quality machine, which, together with the range of concurrent indications are favour-able and I am confident 1984 will be a satisfactory year." centrates we manufacture, en-ables us to offer, for the first time, what we believe to be the

Mersey Docks chairman concerned about stoppages

AKTIEBOLAG

NOTICE OF ANNUAL GENERAL

the Armual General Meeting of the Company will be held at

4.30 p.m. on Thursday, May 24th, 1984 at the offices of the Company at Sundbybergsvägen 1, Solna, Sweden.

The Board of Directors will also propose a resolution that the record date by which shareholders in the Company must be registered by VPC in a register of shareholders or a list maintained in accordance with the 3rd Chapter 12th § of the Swedish Companies Act in order to participate in the dividend authorized by the Annual General Meeting will be Tuesday, May 29th, 1984. Should the Annual General Meeting adopt this resolution the date for dispatch of dividends by VPC to those shareholders who are registered with VPC on the record date is estimated to be Wednesday,

In order to be entitled to participate in the Annual General

Meeting a shareholder must have been registered with VPC not later than Monday, May 14th, 1984. A shareholder who has had his/her shares registered in the name of a nominee must have temporarily registered those shares in his/her own name with VPC not later than Monday, May 14th, 1984 in order to be entitled to vote at the Annual General Meeting.

Further, in order to take part (whether in person or by proxy)

in the Annual General Meeting, a shareholder must give notice to the Company not later than 4.00 p.m., Monday, May 21st, 1984, in writing to Esselta AB, Box 1371, S-171

27 Solna, Sweden, or by telephone: Stockholm 27 27 60. If by the aforementioned time a shareholder has provided the

Company with a power of attorney, giving authority to exercise the voting rights of the shareholder at the Annual General Meeting in accordance with the 9th Chapter 2nd §

of the Swedish Companies Act, the shareholder shall be deemed to have duly given notice for participation in the

Annual General Meeting.

Solna, May 4th, 1984

Board of Directors

In addition to the matters to be dealt with at the Annual

General Meeting in accordance with the Swedish Com Act and the Articles of Association, a resolution will be proposed to the Annual General Meeting to authorize the Board of Directors to issue convertible bonds and/or bonds comprising options to subscribe for new shares in the Company without first offering any of such bonds to the existing shareholders in acordance with the 5th Chapter 2nd

§ of the Swedish Companies Act.

MEETING Notice is given to the shareholders of Esselte Aktiebolag that

Liverpool.

The company recorded a trading profit of £5.9m in 1983, the first for seven years. This compared with an £8.9m loss in the

In his annual report, Sir John. who will be retiring from the post, says: "I am concerned at recent one-day strikes on matters completely unrelated to the company's business and also a recent three-week strike by part of our workforce for unacceptable action.

Also the dock company's 250 maintenance engineers stopped work for three weeks in protest at the introduction of private contractors.

The port dockers staged two one-day strikes in March, one in protest at cuts in the National Health Service, the other in support of the TUC's day of

Sir John Page, the chairman of the Mersey Docks and Harbour Company has expressed concern at the damaging effects of industrial action on the fragile economy of the Port of Liverpool.

The company recorded a trading profit of £5.9m in 1983, the first for soven years. This company records are reliable service."

is £1.5m. Saxon has also assumed the operatorship of eight onshore **ESSELTE**

the French Government for the assignment of an interest in a permit operated by Euromin in the Pairs basin. The French per-mit is the subject of a separate arrangement, to be completed by issue to Moray of a further 20,000

offer for Bakers Stores

Mr Barry Baker and Mr Ian

Harris Queeusway, the retail- Baker, chairman and director 1983, Bakers had pre-tax profits group which was recently espectively, have agreed to of £827,741 against £752,677 in warted by Woodworth's in a Harris's offer with respect to the previous year. Harris Queensway, the retailing group which was recently the spectively, have agreed to bid for the Comet Group, yesterday announced an agreed £7.8m bid for Bakers Household Stores.

Bakers, a north of England £15.60 in cash, for every 10 retailer of non-food goods with 28 shops, will complement boundstretcher, a Leeds-based retailer with 40 outlets in which Harris Queensway has a 75 per cent stake. Harris said.

Mr Barry Baker and Mr Ian rose 31p to 153p. ment of Harris sharehold In the year ending October 1, be adjusted accordingly.

New shares of Harris to be issued to Bakers shareholders will not rank for the final dividend of 4.75p per share declared for the year to December 24, 1983 nor for the recently proposed one-for-one scrip issue by Harris But Harris said if the scrip issue is made, the entitle-ment of Harris shareholders will

BIDS AND DEALS IN BRIEF

cial interest now is 2.156m. Mr J. D. C. Smith disposed of 89,823

The resolution to exect a re-organisation of the Donald Mac-pherson share capital following

shareholders to accept offer from Tikkurila.

group companies.

Lady Joseph has been appointed a trustee of the Maxwell Joseph First Charitable Trust. As a consequence she has acquired a non-beneficial interest in 1,162,494 ordinary (1.36 per cent) in Norfolk Capital Group of which she is the chairman.

S. G. Warburg and Co., as an associate of Mercantile House Holdings PLC, has sold on behalf of a discretionary investment client 600 ordinary 25p shares of Mercantile House Holdings at 360p each.

Incheape and M. M. Worms & Cle have agreed a rearrangement of their shareholdings in Bain Dawes and Bishopsgate Insurance whereby Incheape, which presently owns 80 per cent of Bain Dawes, will acquire the remaining 20 per cent from Worms.

remaining 20 per cent from Worms.

Worms will acquire a 70 per cent interest in Bishopsgate from Inchcape, to bring their total to 82½ per cent. The remaining 17½ per cent of Bishopsgate will continue to be held by Bain Dawes. The value of each af these transactions is approxiof these transactions is approximately £5.3m.

Saxon Oil has acquired from Moray Petroleum Holdings and Developments all the UK explor-ation and production licence ination and production licence in-terests awarded to Moray since 1979. The deal provides for Saxon to acquire all the issued share capital of a subsidiary of Moray in exchange for issue of 374,776 Saxon ordinary.

The estimated minimum cost of the UK commitments to Saxon

Saxon is awaiting consent from

Saxon rodinary when the French obtained, Briggs should receive 22.15m for the site and Anglo Nordic's net tangible assets should increase by approxi-mately £850,000 after allowing At the May 14 closing date for

At the May 14 closing date for the offer by Vernon Investment Association, acceptances of the offer have been received in res-pect of 396,024 existing ordinary shares of Weber Holdings (85.16 per cent). The offer has become unconditional in all respects and has now empired. for costs.

The agreement provides for the co-operation of Clarke and Giltgrove Properties, an Anglo Nordic subsidiary, to enable Giltgrove to acquire the Briggs site and to enter into a developsite and to enter into a develop-ment agreement. The directors are optimistic that planning consent will be obtained. has now expired. Directors of Spring Ram Corporation and certain directors of group companies disposed of a total of 949,600 ordinary (9.04

* * * * *

Charterhouse Japhet has announced that acceptances of the offer on behalf of Woolworth Holdings to acquire the share capital of Comet Group have been received in respect of 63,058,127 existing Comet shares (77.99 per cent). Acceptances of the offer amount to 75,158,127 Comet shares (92.96 per cent). Accordingly the offer has become unconditional. per cent) at 20031p per share. The shares were placed at a premium to the then middle market price of 193p, with nine in-stitutional investors. stitutional investors.

Mr W. T. Rooney disposed of 270,528 ordinary making beneficial interest now 2.085m. Sagitas AG (a trust in which Mr W. T. Rooney's children are beneficiaries) disposed of 206,888 ordinary, making its beneficial interest now 1.585m.

Mr R. S. Murray disposed of 280,052 ordinary and his beneficial interest now is 2.156m. Mr

A. B. Electronic Products Group has reached agreement for the purchase of Page Engineering (Holdings), located Sunbury-on-Thames, for The purchase will be satisfied

ordinary, reducing his beneficial interest to 686,000.

The balance of 102.308 ordinary was sold by five directors of by payment of £2m in cash on completion and the issue of unsecured loan notes with a value of £5.250,000 repayable within the next five years.

Page produces a wide range of electronic systems for the defence and aerospace industries.
The directors of AB Electronic believe that this acquisition will

the Yule Catto offer was duly passed at the egm. This will only be effective if the Yule Catto offer becomes unconditional in all other respects. The Macphercomplement the group's existing activites and meet their criteria for a planned expansion into son board is recommending its shareholders to accept the higher those industries.

For the year to November 30 1983 Page earned profits of £629,000 on sales of £4,906,000.

Angle Nordic Holdings has reached agreement with Clarke In respect of the offer from St. Modwen Properties under which the Burton-on-Trent manufacturing facilities of its brewing plant division S. Briggs will be replaced with a retail British Printing and Communica-tion Corporation for the ordinary capital of Bishopsgate Trust, sub-unds writing of the cash alternative for up to 21m shares in Assuming planning consent is BPCC has been completed.

Harris Queensway agreed Amcoal now facing a fall in coal export earnings

AGAINST the international backcan Coal Corporation (Amcoal) was being belped by coal export for the second half of the year contracts that had been negoti-to March 31 can be considered ated before the downturn in the

After being 10.5 per cent down at R54.1m (£30m) at the half-way stage, net profits of Amcoal for the full year come out at R108.2m, equal to 446.8 cents per share, compared with R113.4m in the previous 12

Amcoal makes no comment about prospects on this occasion—that may come in the chairman's statement with the annual report which is due to be posted

ground of over-supply and low time of the half-year results it prices for coal, the performance of South Africa's Angle Ameri- year to last March the group was being helped by coal export contracts that had been negoti-

It was also getting the benefits of forward exchange contracts entered into at favourable rates. However, Amcoal warned that these favourable circumstances would not be repeated in the cur-rent year with the result that A maintained final dividend of 95 cents leaves the total for the year unchanged at 145 cents.

Amcoal makes "" reut year with the result that profits from coal exports were expected to be "significantly lower" that in 1983.

On the other hand, the group considered that further growth in its domestic business would assist in countering the adverse conditions in coal export

ing of the Tutuka power station which is due next March and of the Lethabo station targeted for September, 1985. Both new power stations will be supplied with coal from Ameoal col-

Ameoal with its huge coal re-serves has an impressive long term growth potential. But with port markets the shares seem high enough at £16½ to give a yield of 5 per cent.

•	1934 R000	1983 R000
urnover		
rading profit	233.092	229,451
mortisation	16.356	14,029
Popreciation		
rofit before tax		
ax		
let prolit		
Ainority profits	9,580	5,708
Attributable	109,200	113,444

Barrick and Camflo in merger

CANADA'S Barrick Resources, Camilo Mines and Bob-Clare Investments have agreed in principle on a merger. Shares in the amalgamated corporation will be given to Barrick share-holders in the ratio of one-for-one while holders of Camflo will receive seven shares in the new corporation for every one held

shares of the amalgamated corporation.

The plans also envisage Barrick making a private share placing at C\$2.10 (£1.17) per share, this raising some C\$30m.

The indebtedness of the amalgamated corporation will be substantially restructured so that C\$40m of Camfio's existing debt will be converted into a five-year loan.

Bob-Clare shareholders will a five-year loan.

Bot-Clare shareholders wi

for 468 p per share. The shares were placed with institutional clients of the company's stock-

brokers, Immediately following the disposals, the trustees re-mained interested in 516,664

shares (7.06 per cent). In addition London Mercantile Invest-

tion London Mercantile Investments, a company controlled by the trustees, is interested in 670,066 shares (9.16 per cent). Accordingly, immediately following the above disposals, the trustees and LME remained interested in a total of 1,186,730 shares (16.22 per cent).

Geo Wills and Sons (Holdings)—Following purchase of a

ings)—Following purchase of a further 240,000 shares, Walter Investments, Rotterdam, is now

the beneficial owner of a total of 503,600 shares (8.36 per cent).

SHARE STAKES

Dlamond Stylus-Mr Michael Clark agreed to purchase 600,000 ordinary from Mr G. Kendal-Jackson, a director,

Jackson, a director.

Hogg Robinson Group—the
Kuwait Investment Office now
holds 11.1 per cent of the ordinary shares.

King and Shaxson—Courtaulds
Pensions Common Investment
Fund has increased its holding
ment—Mr J. W. Mallins, a director of artifacts by 125 000 arctical 15 000 arct

of ordinary by 175,000, making total 750,000. Shares are held in the name of Courtaulds CIF

Henlys — Coleman

Henlys — Coleman Milne acquired a further 300,000 shares, redigners, redigner

Sumrle Clothes—Mr Harvey Michael Ross has reduced his holding by 36,000 shares. Pentos—Westpool Investment Trust on May 4 acquired 500,000 ordinary shares to bring its aggregate interest to 4.46m (9.66 per cent). Westpool also has aggregate interests in the deferred ordinary shares of 1.19m (12.72 per cent).

Stag Furniture-Mr J. D. Radford, a director, disposed of 34,735 ordinary shares (0.450 per

tor, has acquired 15,000 benefi-cial ordinary shares. Television Services Inter-national Mr John Page, a direc-

tor disposed of 300,000 ordinary shares, reducing his total holding to 2.7m (12.3 per cent), and Mr Andrew Lee, a director, sold 425,000 ordinary shares, altering his total holding to 92m (41.7 Mowlem—Securities Manage-

ment Trust (Kuwait Investment ment Trust (Kuwait Investment Office), disposed of 100,000 ordinary shares, altering its total holding to 1.96m shares (7.714 per cent).

Dlamond Stylus—Mr D. E. Coatup has sold 7,834 ordinary shares.

Octopus Publishing—Mr T. Clode, a director, disposed of 25,000 beneficial ordinary shares. Greycoat City Offices—G. A. Wilson, a director, has sold 250,000 ordinary shares.

deferred ordinary shares of 1.19m (12.72 per cent).

Television Services International—Mr D. Binney, a director, disposd of 75,000 ordinary shares reducing his total holding to 300,000 shares (1.4 per cent).

Hillards—Mr R. J. Dowds, a director, soid 12,000 ordinary shares, reducing his holding to 130,000 shares, reducing his holding to 130,000 shares.

Expanet International—Mr L. G. Beasley, acquired 25,000 beneficial holding to 399,544.

250,000 ordinary shares.

Anglia Television Group—D. T. Puttnam, a director, has disposed of 35,000 ordinary, reducing his holding to 131,180 non-voting "A" shares.

Pice Holdings—W. Greenwell and Co, as brokers to Pifco have purchased 30,000 "A" ordinary increasing their holding to 130,000 ordinary at 150p each on behalf of the company.

Expanet International—Mr L. G. Beasley, acquired 25,000 beneficial holding to 399,544.

The shares will be registered into the name of English share-holders Nominees. Camford Engineering: Omes-Faulkners have sold 1.274m ordinary (6.7 per cent) and no longer have a notifiable holding. MME Facilities—Crown Inter-national Products has acquired 600 000 ordinary (8.5 per cent) national Products has acquired 600.000 ordinary (6.5 per ceut). Windsor Securities (Holdings)—Mr R. N. B. Beard, a director, has disposed of 25,000 ordinary. Hestair—Mr S. M. Wallis, a director, has disposed of 35,000 ordinary, reducing his holding to 5,000

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		Company	Price	Change	div.(p)	1 %	Actusi	taxad	
	Low	Ass. Brit. Ind. Ord	132		6.4	4.8	7.7	10.1	
142	120	ASS. Drie Inc. Citie	144	_	10.0	6.9	_		
158	117	Age. Brit. Ind. CULS		+ 1	6.1	9 B	17.7	17.7	
78	61	Airsprung Group	62						
38	21	Armitage & Rhodes	33				13.4	27.2	
330	7414	Bardon Hill ,	328	_	7.2	2.2		8.8	
58	53	Bray Technologies	53	_	3.5	6.6	8.2		
201	197	CCL Ordinary	201	_	5. <u>0</u>	2.5	_	_	
152	321	CCL 11pe Conv Pref	152	_	16.7	10.3	_	_	
540	100	Carborundum Abrasives	530	_	5.7	1.1	_	_	
		Cindico Group	103	_	17.6	17.0		_	
249	100	Debest Contract	68	_	6.0	B.8	36.4	59.1	
63	45	Deborah Services	220	_			9.2	15.2	
222	75	Frank Horsell			8.7	4.3	8.4	13.9	
203	727	Frank Horsell Pr Ord 87	201	_		14.6	V-T		
89	25 32	Frederick Perker	291		4.3	_	_	_	
39	32	George Blair	35	+ 1				17.2	
80	46	Ind Precision Castings	50	_	7.3	14.B	13.8		
	2150	lais New Fully Pd Ord	2185	-	150.0	6.9	_	_	
	134	lais Conv Pref	365	_	17.1	4.7	_	_	
365		Jackson Group	173		45	3.7	6.4	12.5	
124	61		252	+ 2	11.4	4.5	13.9	14.3	
25 6	169	James Burrough	424	T	4.2	1.0	30.5	33.4	
425	275	Minihouse Holding NV			200	20.6	11.2	7.6	
176	97	Robert Jenkins	97	_		10.2	93	6.7	
74	65	Serutions "A"	56	. =	5.7	10.2	7.8	16.2	
120	61	Torday & Cadisla	73	+ 1	_		8.9	82	
444	385	Travian Holdings	438	+ 1					
25	17	Unitock Holdings	18	_	1.0	5.5	11.8	17.1	
02	45	Walter Alexander	33	_	8.8	8.2	7.3	9.7	

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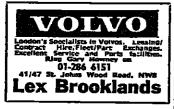
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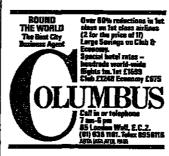
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The submission deadline of offers has been fixed to Friday June 1, 1984 at 15.00 hrs in Kinshasa. Offer should be addressed in a double sealed envelope

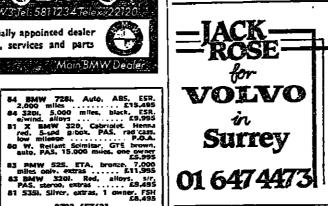
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The external envelope which should not bear no indi-cation allowing for the identification of the bidder, should also bear, in addition to the above-mentioned address, the file's relevant reference number and subject item little. Offers may also be submitted to the President of the Committee at the beginning of the Opening Session. The public opening of the opening session. The public opening of the submitted offers will be optionally open to all interested bidders and will take place at the Conference Room of the Direction Générale, Building Onatra, 7e étage, local 711, Boulevard du 30 juin 177, in Kinshasa, on Friday June 1st, 1984 at 15.00 hrs in Kinshasa.

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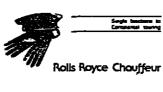
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COMPANY NOTICES

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72.980 33.409 Profit after Taxation 39,571 30,255 8.4 Cents Earnings per Share 3 Conts Dividend per Share

The annual financial statements for the year ended 3u June 1983 will be risted to members of 11 May 1984.

By order of the Board

R. F. KATZENELLENBOGEN

Directors.

DECLARATION OF BIVINGEND

R. F. KATZENELLENBOGEN
Directors.

DECLARATION OF DIVIDENTS.

NOTICE IS HERESY GIVEN that dividend Simber 112 of 4 cents per share in respect of the year ended 30 June, 1983 has been declared payable on or about 29 June, 1984 in the currency of the Republic of South Africa. to shareholders registered in the books of the company at the close of business on 25 May, 1984. Non-resident shareholder ax of 15 per cent will be educted from the dividends payable to shareholders whose registered addresses are outside the Republic of South Africa.

Th register of members will be closed on Johannesburg and London from 26 May, 1984 to 3 June, 1984, both days feelbasive for the purpose of the above dividend.

SMARE WARRABITE TO BEAUTION. above dividend,

SMARE WARRANTS TO BEARCH

The coupon to be presented for the shove dividend is No. 110 which must be left at the office of Hill Samuel & Co. Limited. 45. Beech Street, London EC2P ZLX at least seven clear days for examination. Special listing forms can be obtained on request. ORIENTAL TRUST COMPANY (LIMITED
PET: E. KARRIM
TRUST COMPANY (LIMITED
PET: E. KARRIM
TRUST Secretaries:
Hill Semuel Registrars
(S.A.) Limited
Hill Samuel House
Togond Floor
101 Market Screect
Johannesburg 2001

Registered Office: 43 Market Street.

Johannesburg. 8 May, 1984.

Notice to Noteholders

BANK HANDLOWY W WARSZAWIE SA

U.S.\$30,000,000

Floating Rates Notes due 1989 NOTICE IS HEREBY GIVEN to the Noteholders of the above reterred issue who to expects the option of redemption on or about 14th August 1884 of the principal amount of the Notes that no later than 14th June 1984 they must deposit these notes together with all coupons appertaining thereto with the Fiscal Agent, Centre des Opérations aur coupons, 14, rue Bergère, 75009 PARIS or with any of the following Paying Agents: -- BANQUE NATIONALE DE PARIS SA. Luxembogre.
-- SANQUE INTERNATIONALE à Luxembourg. Luxembourg.
-- FRENCH AMERICAN BANKING CORPORATION. New York.
-- SOCIETE GENERALE à Names. However, BANK HANDLOWY W. WARSZAWIE has expressed its intention to redeem only the Notes which on 26th March 1881 were held and benedically owned by natural persons. The possession on 26th March 1981 is to be certified by a Bank or Financial institution. The certification must be deposited together with the Notes to be redeemed.

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Announcements





Gary C. Williams

Robert G. Welty, Chairman and Chief Executive Officer of Asamera Inc. is pleased to announce the following appointments.

Keith G. Cameron has been appointed Vice President, Finance, of Asamera Inc. Mr. Cameron will have responsibility for the financial function of the Asamera Group. Mr. Cameron will continue as Controller and Treasurer of Asamera Inc. Gary C. Williams has been appointed Manager, Administration, of Asamera Inc. and will have responsibility for the administrative

function of the Asamera Group. Mr. Cameron and Mr. Williams will be located at the Calgary. Alberta, Canada office of Asamera Inc.



Asamera Inc. Suite 2100 - 144 Fourth Ave. S.W. Calgary, Alberta, Canada

FINANCIAL TIMES PUBLISHED IN LONDON & FRANKFURT

Hand Office: The Fintencial Times Limital, Structure Hence, 18 Carmen Struct, London ECSF 487.
Teles: (Editorial) 9954871, Teles: (Advertising) 895033, Telegrams: Finantime, Limital, Telephone: 01-248 8000. Providest Biffice: The Financial Times (Europe) 1.54., Solitation, 54, 8-4600 Franctive-Law-Main I, Water Garanny, Teles: 416193. Telephone: 2595-0. Editorial: Solidistists. 54. Teles: 426052. Telephone: 7596-157.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES un: Editorial P.S. Bost 1296, Listone Editorial Ross de Polor 53.33, Listone un-C. Toles: 16527. Tol: 276 776. 1200. Toles: 12533. Tol: 674006. Detaile: Editorial 25 South Predarick St., Deblin 2. Telez: 25414. Tel: Deblin 603378. Edinburgh: Editorial and Astrontining 37 George Street, BN2 2004, Talest: 7:2484. Editorial Yel: 030-226 4120. Advantisings Yel: 030-226 4134.

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WALL STREET

Rally under way but nerves stav

A SUCCESSFUL rally was staged by Wall Street's sorely battered bond market yesterday after the savage losses of the last week, writes Terry Byland in New York,

There was, however, little indication of any change of mood among the major institutions, nor of any lessening in the gloom regarding the outlook for interest rates. In the absence of further selling by the market trading houses, bond prices moved up smartly on thin retail

After a nervous start, the stock market responded to the upturn in the fixed interest sector. Buyers were nervous, however, and the market remained slug-

The Dow Jones industrial average closed 0.21 down at 1,150.86.

The first of the week's batch of data from the Commerce Department indicated that the U.S. economy is still expanding at a fast pace. Industrial production increased by 1.4 per cent in April, a greater increase than Wall Street expected but the news failed to discourage the bond market.

The rally in bonds was helped by the

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675.6

\$4.5bn standby facility accorded to Continental Illinois by the other major U.S. banks, which has eased fears of forced selling in the credit markets. Stock in the Chicago-based bank eased \$\frac{1}{2}\$ to

Wall Street was also encouraged by President Reagan's moderation of the Administration's recent line towards the Federal Reserve.

In the stock market, oil issues came in for scattered buying support as the mar-ket took the view that Mobil will be allowed to proceed with its \$5.7bn offer for Superior Oil. At \$41%, Superior edged up

The closing Wall Street report, updated U.S. market monitors and late Canadian prices were unavailable because of continuing industrial action at the Financial Times' printers in Frankfurt.

\$%. The Federal Trade Commission was due to rule overnight on Mobil's \$42 a share offer. Stock in Mobil was also active, adding \$1/4 to \$28%.

Mesa Petroleum, the takeover weapon forged by Mr Boone Pickens, eased \$1/2 to \$17% after announcing that it would repurchase the equity of Mesa Royalty Trust, which was sold off to Mesa Pe-troleum stockholders four years ago. Mesa Royalty stock jumped \$7% to \$35, to accord with the offer from its former

KN energy, a Colorado-based natural gas utility, gained \$3 to \$35% on rumours that Mr Pickens might bid but the activity could have been mistaken -, it pre-

ceded the offer for Mesa Royalty.

Also active among oil stocks were Exxon at \$42% and Tenneco at \$41%, both showing gains of \$\%.

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Gains among the market leaders were small, and often trimmed by profittakers, who were quick to step in when the market faltered. IBM at \$112% edged up \$\%, General Motors added \$\% to \$63\% and Ford gained \$1/2 to \$35%.

Airlines, which have followed an erratic course, returned to favour, led by USAir, S% better at \$29. Texas Instruments, \$1% higher at \$143%, stood out in the technology sector. Chicago Milwau-kee at \$143½ led the rail section ahead

with a gain of \$3%.

A recovery of \$1% took Matsushita to \$78½ after the selling of the previous session which followed the rout in To-

In the credit market, the short end looked happier after the standby help for Continental Illionois. Bank Certificates of Deposit showed a decline in rates of around 5 basis points. Treasury bill rates were a shade higher behind a firm federal funds rate of 10% per cent.

The market's new key bond at the long end, the 13% per cent of 2014, moved up 2%: to 98%: to yield about 13.52 per cent. The old bond moved in tandem

At midsession, \$2.1bn of bonds from the Federal Home Loan Banks were priced on favourable yields ranging from 12 to 13.7 per cent.

LONDON

BAe blasts skyward but Thorn hurt

THE POSSIBLE marriage of Thorn EMI and British Aerospace captured imagi-nations in London late yesterday and diverted attention from other leading shares, most of which were struggling to hold a modest extension of Monday's

technical recovery.

News of the discussions was flashed on market screens at 3pm. It immediately triggered a rush of buying orders for BAe which soared to 322p, up 65p. Thorn EMI, the larger of the two, moved in the opposite direction as investors reduced their portfolios falling 32p to 583p.
Its weakness took about 1½ points off

the FT Industrial Ordinary index but it still closed 4 higher on the day at 878.0 ~ helped by strength in Hawker Siddeley, up 12p to 436p.

After a cautious opening, the recently beleaguered market in British funds adopted a slightly more cheerful tune. Although the best levels were not always held, gains among high-coupon longs ranged to ¼ and sometimes more. around 4 lower.

Another relatively steady performance by bullion stimulated a modest rally among South African golds.

Chief price changes, Page 38; Details, Page 39; Share information serrice, Pages 40-41.

HONG KONG

A TECHNICAL reaction to Monday's Hong Kong slide enabled the Hang Seng index to recoup 15.35 at 924.07 and brought muted but widespread gains in thin trading.

Properties showed Cheung Kong 25 cents up at HK\$8.25 and Hongkong Land 5 cents better at HK\$3.02, while the trading houses had Jardine Matheson ahead 25 cents at HK\$9.05 and Hutchison Whampoa up 30 cents to

Singapore was closed for a national

AUSTRALIA

OVERSEAS selling, covering both mining and blue chip industrial issues, continued to depress Sydney. For the eighth successive session, the outcome was lower as sporadic late bargain-hunting failed to have much impact.

BHP shed 30 cents to A\$10.55, Western Mining 7 cents to AS3.80 and Santos 22 cents to AS5.68, with the pace of activity overall somewhat brisker

National Australia led banks down, off 13 cents at AS3.62. Mr Rupert Murdoch's News Corporation slid 40 cents to A\$10 but the rival Herald and Weekly Times group firmed 2 cents at AS3.22. Retailers held up better than most, showing Coles 3 cents up at A\$3.78.

SOUTH AFRICA

STABILITY in bullion values allowed a vigorous recovery by Johannesburg gold shares, restoring most of Monday's losses, but other sectors showed no immediate inclination to follow.

President Steyn added R3.50 to R63 and Driefontain R1 to R44, while among more quietly traded mining financials Amgold firmed R1.50 to R144.50 but Gold Fields of SA slipped 75 cents to R26. De Beers failed to hold an initial gain, ending unchanged at R9.10.

Elsewhere, Tongaat Huletts and Sage Holdings each dipped 10 cents to a respective R11.60 and R8.30.

EARLY gains by Toronto metal mining issues began quickly to be eroded, while the energy and transport sectors continued on their downward path.

An equally dull performance developed in Montreal, although with some support indicated among utilities and

EUROPE Strikes at forefront in Frankfurt

A CALMER mood emerged in Frankfurt yesterday as investors stood back from the market, deterred by the prospects of deepening industrial unrest in West Ger-

many.

A brief early bout of buying contributed to a 0.7 rise to 1,004.1 in the midsession-calculated Commerzbank index. Shares ended narrowly mixed.

Motor manufacturers continued to be at the centre of attention as strikes continued at key component suppliers in

the Stuttgart area.

VW slid 60 pfg to DM 188.50 as its Audi subsidiary said it would have to halt assembly lines at two plants in southern Germany as early as Friday if the strikes continued. The announcement came as Audi also announced higher 1983 profits and sharply increased sales for the first 1984 quarter.

VW itself said it could continue with normal production through the week-

BMW, which had already announced a halt to production at four Bavarian plants from tomorrow, fell DM 3.90 to DM 378.10. Daimler Benz steadled after Monday's DM 6.50 decline, adding DM 2 to DM 567.50 ahead of its announcement that its main car plant near Stuttgart and truck plant near Karlsruhe will halt production from tomorrow.

Tyremaker Conti Gummi, which more than doubled 1983 net profits, held unchanged at DM 121 as the company said it was making contingency plans for short-time working, should the strike at component makers continue.

In the broader market, concern about rising U.S. interest rates and continued speculation about a rise in the Lombard rate tomorrow contributed to the minimal level of turnover.

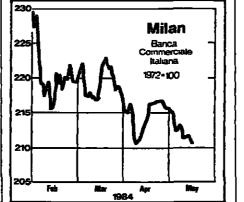
Steel company Hoeseh shed 30 pfg to DM 113.70 as it announced 1963 group net profit of DM 518.4m - including some DM 488m in the form of extraordinary items - after the previous year's profit of just DM 19.5m.

The D-Mark's firmer tone against the dollar helped domestic bond prices to hold at generally unchanged levels, halting a week-long slide. The Bundesbank was, nevertheless, able to sell DM 18.7m of paper into the market, compared with purchases of DM 28.3m on Monday.

The view among some Paris investors that the market's recent downturn had been overdone, spurred selective demand in moderately active trading.

Poclain, the troubled construction equipment company, added 30 centimes to FFr 45.50 as it announced a higher than forecast group loss of FFr 236m for 1983, although this was still well below the previous year's FFr 283m deficit.

Trading became modest in Milan after an unusually brisk start which was attributed to Fiat's announcement after Monday's market close of nearly doubled 1983 profit and its plans for a capital increase.



Fiat rose L125 to L4.325 while IFI. which has a controlling interest, added

La Centrale was unchanged at L1,755, as Nuovo Banco Ambrosiano considered selling its 47 per cent controlling stake in the financial holding subsidiary.

Expectations in Amsterdam of good first-quarter earnings from Royal Dutch, due tomorrow, boosted the oil group 90 cents to Fl 159.10.

Bond prices fell back ahead of the results, after the market close, of the Government's new 81/2 per cent state loan. In the event, the issue raised Fl 3.5bn at

Shares finished generally mixed to lower in Zurich in limited activity.

However, gains were recorded by all the major bank shares ahead of Sunday's vote on an initiative to limit banking secrecy, which is now widely expected to be rejected.

Bonds were mixed in quiet trading with many investors choosing to remain out of the market until a clearer interest rate trend emerges.

Brussels also ended mixed with virtu-

ally the only strong performance coming from market leader Petrofina, which added BFr 40 at BFr 8,040 in heavy vol-

Stockholm turned lower with declines being posted by most leading shares.

TOKYO

Erratic day ends on firm side

STIMULATED by investment trust and other institutional purchasing, the To-kyo market staged a modest rally yesterday after the steep plunge of the pre-vious day, writes Shigeo Nishiwaki of Ji-

The Nikkei-Dow market average performed erratically. It fell 84.71 points early in the day, later surged 81.13, and finally settled at 10.604.54, up 41.20. Turnover remained at a weak 287.10m shares, as many investors stayed on the sidelines, although it was higher than Monday's 235.33m. Losses slightly outnumbered gains 357 to 351, with 146 is-

sues unchanged. Concern over the previous day's decline combined with an overnight dip on Wall Street to spark light selling in early trading. Towards the morning close, however, investment trusts, institutional investors and securities companies sought blue chips and other major losers in small lots, which bolstered the mar-

Among other negative factors was the increasing margin debt that had swollen Y9.9bn to a record Y2,736.6bn at the end

Among blue-chip issues to rally on light buying were Toyota Motor, up Y60 to Y1,390; NEC, Y20 to Y1,230; Kyocera, Y210 to Y5,460; and Fanue, Y350 to

Other trading centred on speculatives, with Mochida Pharmaceutical scoring a maximum allowable daily gain of Y500 to Y5,470 on its development of an anticancer drug. Daiichi Seiyaku advanced Y120 to Y1,170 due to revived investor in-

terest in its development of a liver treat-The strong interest in speculatives indicated investor concern about the market outlook, said one analyst. "Investor attitudes will continue to be affected by

U.S. interest rates and stock prices." The bond market was depressed by the overnight weakness of U.S. bond

The yield on the benchmark 7.5 per cent government bonds due January 1993 climbed to 7.38 per cent at one point in dull trading from 7.355 per cent, but closed lower at 7.35 per cent on buying by trust banks and institutional inves-





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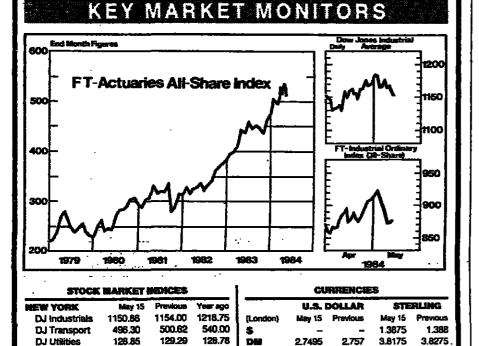
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FT-A Alf-share	515,38	511.18	419.92	
FT-A 500	563.39	559.02	455.47	B
FT Gold mines	612.2	597.8	681.1	c
FT-A Long gift	10.63	10.64	10.65	1 –
11-74 E0013 Box				1
TOKYO				E
Nikkei-Dow	10.604 54	10,563.34	8,629.51	. –
Tokyo SE	830.77		630.59	(3
				j
AUSTRALIA				Į
All Ord.	729.5	739.1	614.3	Į.
Metals & Mins.	489.4	498.6	546.9	
****				F
AUSTRIA		E4 87	58.56	 (0
Credit Aktien	54.90	54.87	56.50	
BELGIUM				i
	154.47	154.45	122.59	u
Belgian SE	134,47	100		Ŭ
CANADA	May 15	Previous	Yr ago	Ū
Toronto			_	
Metals & Mines	n/a	1977.2	_	ı –
Composite	2264.60	2271.3	2443.9	۱_
•				Tr
Montreal	109.44	109.90	_ 1	
Portíclio	103.44	103.30		11
DENMARK				12
	196.52	n/a	143.75	
Copenhagen SE	130,32	104		13
FRANCE				13
CAC Gen	176.0	176.1	125.5	G
Ind. Tendance	110.5	110.2	77.7	A1
				10
WEST GERMANY				3
FAZ-Aktien	344.78	344.24	311.09	l 8
Commerzbank	1004.1	1003.4	931.3	Χe
				10
HONG KONG	~~ ~	908.72	949.56	
Hang Seng	924.07	500.72	3-0.00	Di
ITALY		_		10
Banca Comm.	210.45	211.59	188.63	Fe
				10
NETHERLANDS				A
ANP-CBS Gen	163.8	163.6	128.6	11
ANP-CBS Ind	131.4	131.4	106.4	
				[AJ
NORWAY		***	101 75	12
Oslo SE	283.86	289.2	191.75	l —
SINGAPORE				•
	-1	981.26	960.42	=
Straits Times	closed	φ41. 2 0		a
			• !	U.
SOUTH AFRICA	941.8	931.8	959.1	89
Golds	1072.5	1074.4	929.1	Ju
industrials	10723	19777		U.
SPAIN				51
	closed	121,11	115.32	
Madrid SE	CHUSUE	16 1: ()		Ju
SWIDEN				C
	1490.55	1519.28	1506.77	\$ 1
186	1400.00			Ju

All Ord. Metals & Mins.	729.5 489.4	739.1 498.6	614.3 546.9	
				FI
USTRIA Credit Aktien	54.90	54.87	58.56	(0
ELGIUM Belgian SE	154.47	154.45	122.59	U.
ANADA		Previous	Yr ago	U.
Toronto Metals & Mines Composite Montreel	n/a 2264.60	1977.2 2271.3	2443.9	- -
Portfolio	109.44	109.90		11:
ENMARK		-1-	143.75	121
Copenhagen SE	196.52	n/a	143.73	131
RANCE		455-4	400 0	131
CAC Gen	176.0	176.1 110.2	125.5 77.7	Co AT
Ind. Tendance	110.5	110.2	11.1	10
EST GERMANY			D44 00	3
FAZ-Aktien	344.78	344.24 1003.4	311.09 931.3	8
Commerzbank	1004.1	1000.4	551.5	Xe
ONG KONG				10
Hang Seng	924.07	908.72	949.56	Dia
TALY			470.00	10°
Banca Comm.	210.45	211.59	188.63	10
ETHERLANDS				Ab
ANP-CBS Gen	163.8	163.6	128.6	11
ANP-CBS Ind	131.4	131.4	106.4	Ak
ORWAY				12
Oslo SE	283.86	289.2	191.75	i _
INGAPORE				j
Straits Times	closed	981.26	960.42	G.
OUTH AFRICA			950.4	8%
Golds	941.8	931.8 1074.4	959.1 929.1	Ju
Industrials	1072.5	10/4.4	\$64.1	Ü.
PAIN Madrid SE	closed	121.11	115.32	\$1 Ju
				Ce
J&P	1490.55	1519.28	1506.77	\$1 Jur
WITZERLAND		_		LO
Swiss Bank Ind	376 6	376.3	325.8	Th
VORLD	May 14	Prev	Үааг адо	Sti
Capital Int 1	182.7	_184 9	176.2	Jui 20
GOLL) (per o	ince)		250
	- (pa. 0		- C	he

May 15 \$373.50

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Zünch

Paris (fbding)

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New York (May)

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-A Long gift	10.63	7U.04	10.00	1	. 1	TERES	T RATE	\$	
YO kkei-Dow	10,604 54				o-currence			vlay 15	Pres
kyo SE	830.77	828.61	630.59	, ,	£	- . - ,		94	9%
TRALIA				ł	SwFr			317/16	31%
Ord.	729.5	739.1	614.3	ĺ	DM			61/16	6%
etals & Mins.	489.4	498.6	546,9	i	FFr		1	2146	12%
				FT	ondon int	erbank :	fixing		
TRIA			50 50	(offe	red rate)				
edit Aktien	54.90	54.87	58.56	ļ [*]	3-month	h U.S.\$		11'716	12
GILIM				i	6-monti	h U.S.\$		12%	12%
lgian SE	154.47	154.45	122.59	U.S.	. Fed Fund	s		10%	10
					.3-month			11.55	11.50
ADA	May 15	Previous	Yr ago	U.S.	, 3-month '	i-bills		10.08	9.98
rosto	_			 —					
tals & Mines	n/a	1977.2 2271.3	2443.9	į .		U.S BC) RDS		
mposite	2264.60	2211.3	2443.5	Tree	SULA	May 1	151	Pre	v
ontreal	109.44	109.90				Price	Yield	Price	Yie
rticiic	103.44	103.50		11%	1986	982%2	12.44	982%2	12.5
MARK				12%	1991	951%2	13.37	95%	13.4
penhagen SE	196.52	n/a	143.75	13%	1994	98%	13.47	971%2	13.5
 				13%	2014	98%2	13.51	97%2	13.6
NCE		176.1	125.5		porate	May	151	Pre	47
C Gen	176.0	110.2	77.7	AT 8		Price	Yield	Price	Yiel
I. Tendance	110.5	110.2	77.7		June 1990	87%	13.50	87%	13.5
T GERMANY	·				July 1990	69%	10.70	69%	10.7
Z-Aktien	344.78	344.24	311.09		May 2000	65%	14.20	65%	14.2
mmerzbank	1004.1	1003.4	931.3	Xero					
- Kalla					March 199	3 83%	14.00	83%	14.0
G KONG	924 07	908.72	949.56		ond Shamr				
ng Seng	324.01				May 1993	82%	14.10	82%	14.1
Y				•	erated Dept		•		
nca Comm.	210.45	211.59	188.63		May 2013	76	14.05	76	14.0
KERLANDS					-	70	14.00		
IP-CBS Gen	163.8	163.6	128.6		ot Lab	A A E	14.00	84%	14.0
P-CBS Ind	131.4	131.4	106.4	11.8	Feb 2013	84%	14.00	Q4 78	14.6
				Aico	_				
way			404 75	12%	Dec 2012	85%	14.35	85%	14.3
lo SÉ	283.86	289.2	191.75	ì —					
APORE				Į.	FIN	MCIAL	FUTU	RES	
aits Times	closed	981.26	960.42	CHI	CAGO	Latest	High	Low	Рп
					Treasury		CBT)		
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ids	941.8	931.8	959.1 929.1	June	-	61-27	61-31	60-30	61-0
lystrials	1072.5	1074.4	343. I		Treesury				
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.58 .63 .50 20 .00 .10 .05 .00 .35 69.58 89.64 89.47 89.54 ertificates of Deposit (MAM) Im points of 100% wee-month Eurodoffer 1m points of 100% 88.05 88.08 87.96 88.08 -year Notional Cilt 50,000 32nds of 100% 104-12 104-15 103-26 104-10

COMMODITIES

Säver (soot fixing)

Oil (spot Arabian light)

Copper (cash)

Coffee (May)

637.90

£2288.50 £2255.00

£1022.00

\$28.40

637.55p

£1010.50

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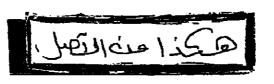
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19. 不可谓的体系是我们的感染,我们也不是我们的感染,我们也是我们的感染,我们也是我们的人,也是我们的人,他们也是我们的人,他们也是我们的人,我们也是我们的人,我们的 केत्र अर्थ प्रस्ति । जित्र अर्थ प्रस्ति । जित्र अर्थ प्रस्ति । THE STATE OF THE S ## 130 | 144 | 144 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 | 145 想到这种的人。10 10 14 20 15 16 4 20 20 16 与我们一个好时间下的的感觉的多数形式的人,也不是这些一种的一种,我们就是一种的一种,我们就是一种的人,我们也不是一个人的人的人,我们也不是一个人的人,我们也不是一个人,我们也没有一个人,我们也不是一个人,我们也不是一个人,我们也不是一个人,我们也不是一个人,我们也不是一个人,我们也不是一个人,我们也不是一个人,我们也不是一个人,我们也不是一个人,我们也不是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们就是一个人,我们也不是一个人,我们也没有一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个,我们就是这一个人,我们就是这一个,我们就是这一个,我们就是这一个人,我们就是这一个人,我们就是这一个人,我们就是这一个,我们就是这一个,我们就是这一个,我们就是这一个,我们就是这一个,我们就是这一个,我们就是这一个,我们就是这一个,我们就是这一个,我们就是我们就是这一个,我们就是我们就是我们就是这一个,我们就是我们就是我们这一个,我们就是我们就是我们就是我们这一个,我们就是我们就是我们我们就是我们就是我们我们就是我们就是我们就是我们就是我 HRTT BHAND HARDE H 5.239- 下野地位为12.25万位的大多次为7.450万位的新兴市对22.55位的第二人的地方,这是5.45的19.35位的第三人称形式的第三人称形式的 1200mmの120 Cuidad
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OCK EXCHANGE COMPOSITE CLOSING PRICES

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PGEIDE
PG 的比较多说明的比较级也不是好的。如果我们在我们的现在分词的名词复数和《代报》的对于我们的有的人们。他们是的是一种《新的》 15% ? 25% 25% 25% 24 4 yAMIN ATT I ACTUM 176 26 158 8 75 155 26 3 为代码外的图片人,我仍然与不断的各类的人,我们还要说到我的感情感情,是想到现在现在,那么头的现在我也没有什么的的非洲的人,我也会会让我 175 307 50 20 134 4 2 10 154 7 256 25 25 25 4 25, 明山的外位14万公共日本6次的位的4位,我们15天的位的时间的时间的15大型的对称下。 Lndmk
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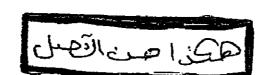
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WORLD STOCK MARKETS

AUSTRIA GERMANY NORWAY , AUSTRALIA (continued) , JAPAN (continued)	OVER-THE-COUNTER Nasdaq national market, 2.30pm prices
May 15 Price + or May 15 Price	OVER-THE-COUNTER Nasdaq national market, 2.30pm prices LONDON Stock Sales High Low Lest Chang Stock Sales High Low Lest Chang Stock Sales High Low Lest Changes
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WORLD VALUE OF THE DOLLAR every Friday in the Financial Times



RECENT ISSUES

98,19 | E26 | 37/7 | 2519 | 2559, Border & S'thern 111-9, Deb. Stk. 2014 | 2559 | 1700 | F.P. | 86 | 103 | 101 | Brittannia Arrow 9+Crv. Uns. Ln. 95-200 | 104 | +1 | 97.072-25 | 177 | 2859 | 2514 | Brittannia Arrow 9+Crv. Uns. Ln. 95-200 | 104 | +1 | 96.764-125 | -24 | 2314 | EDF 111-9 | 1.1. 2009 | 12 | 2314 | 2315 | EDF 111-9 | 1.1. 2009 | 1.2. 2314 | 100 | F.P. | 105 | 6 | 122 | 110 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

Latest

17:5 7:6 25:5 11:5 21:5

EQUITIES

British Aerospace shoot up on Thorn EMI approach

as equities continue recovery

Account Dealing Dates
Option
*First Declara- Last Account
Dealings tions Dealings Day
Apr 30 May 10 May 11 May 21
May 14 May 31 June 1 June 11
June 4 June 14 June 15 June 25

marriage Thorn EMI and British Aerospace captured imaginations late and diverted attention away from other leading shares, most of which were struggling to hold a modest extension of Monday's technical recovery. Electrical technical recovery. Electrical glant Thorn EMI initiated the

deepening gloom over U.S. interest rates and its continued adverse impact on financial markets there. Other influences markets there. Other influences including growing Middle East tension and a troubled UK couraging first-half results from Grand Metropolitan. Bass, shrugged aside by some institutional operators who decided that selected leading industrials were attractive after the recent sethack.

BTR were again popular following the chairman's optimized to meet with selective interest and were featured by

following the chairman's opti-mism about future prospects. interim corporate results Grand Metropolitan sparked off interest in other brewers, while Sears Holdings impressive half-yearly profits generated enthusiasm for Stores. The latter were also Stores. The latter were also beneficiaries of last month's record retail sales.

olis were another firm sector, stimulated by rising crude prices and thoughts of favourable Royal Dutch/Shell first-quarter figures, scheduled for tomorrow. The weakness of market and rose 10 to 460p. Thorn EMI took about 1½ points off the FT Industrial Ordinary share index but it still closed 4 while Stanley Miller jumped 5½ bioher on the day at 878.0 to 28p on speculative interest.

early investment support carried quotations higher and, although the best levels were not always held, gains among high-coupon longs ranged to 1 and some-times more. Against the trend, index-linked issues shed ground to close around } lower on the

Clearers revive

restored by the US\$4.5bn standby facility for Continental Illinois Bank of Chicago.

EQUITY GROUPS

& SUB-SECTIONS

stocks per section

1 CAPITAL GOODS (202)
2 Building Materials (24)
3 Contracting, Construction (32).

Mechanical Engineering (62) ... Metals and Metal Forming (9) ...

Motors (17)

Other Industrial Materials (17)

CONSUMER GROUP (195)

Brewers and Distillers (23)

Food Manufacturing (22)

Health and Household Products (9).... Leisure (23) Newspapers, Publishing (13)... Packaging and Paper (15)....

Electronics (27) .

Motors (17)

Tobaccos (3) _ Other Consumer (8) OTHER ERGUPS (68)

49 INDUSTRIAL GROUP (485)

esurance (Life) (9)...

Merchant Banks (12) -

investment Trusts (1.06)

Mining Finance (4)..... Overseas Traders (26)...

Property (53)

Other Financial (18)

FINANCIAL GROUP (120).

a gain of 20 to 483p. NatWest jumped 19 to 657p, while Lloyds, 580p, and Midland, 380p. rallied 12 apiece. Apart from Jessel Toynbee which, at 101p, lost 2 of the previous day's rise of 41 on the agreed share ex-change terms from Mercantile change terms from Mercantile House, Discount Houses made progress. Gerrard and National advanced 13 to 3039 and Cater Allen rose 5 to 515p. Comment on the group's acquisition of Jessel and a near-30 per cent stake in stockbrokers Laing and Cruickshank left Mercantile House 13 flown at 347p.

News of the discussions was flashed on market screens at precisely 3.00 pm. It immediately triggered a rush of buying orders for BA which soared to 322p, up 65. There EMI, the larger of the two companies, moved in the opposite direction as investors reduced their portfolios and fell 32 to 583p.

London otherwise resisted the discussions was fashed on market screens at the larger of the two companies, moved in the opposite direction as investors reduced their portfolios and fell 32 to 583p.

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Breweries returned to favour and attracted steady support both before and after the en-couraging first-half results from

interest and were featured by recently depressed George Wimpey which rose 8 to 124p following an unsuccessful attempt by an American source to acquire some 1.1m shares at around 115p per share. Taylor
Woodrow attracted support
after publication of the annual report and moved up 23 to 680p. Elsewhere, Henderson share index but it still closed 4 while Stanley Miller Jumped 5t higher on the day at 878.0 beloed by strength in Hawker Stiddeley. British Aerospace is not a constituent of the index.

After a cautious opening, the recently-beleaguered market in British Funds adopted a slightly more cheerful tone. Revived early investment support carried guntarions higher and although overshadowed by the disappointing animal results and slipped to a 1984 low of 61p before closing a net 2 off at 63p.

Business in ICI remained at a low ebb, but the price edged up 4 to 596p helped by early Wall Street advices. Other Chemicals also made limited progress with Laporte, 5 dearer at 460p, and Brent, a couple of pence firmer at 112p.

> Bakers Household leap Having risen 18 on Monday ing, Bakers Household leapt 31 more to 153p, after 154p, in reply to cash and share exchange bid terms from Harris Queensway, 4 lower at 386p.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

Tues May 15 1984

Gross Div. Yield% (ACTal 30%)

Mon May 14

kadex Ng.

FINANCIAL TIMES STOCK INDICES

Industrial Ord.....

*Nij = 11.14.

HI	GHS	AND	LOWS	5	S.E. ACT	VITY	
	19	<u></u> 64	Since Co	mpliat n		Мау	May
-	High	Low	High	. Low	-Daily	14	11
Govt. Secs.	81.77	79.63 (14/5)	127,4 (8/1/56)	49.18	Gilt Edged Bargains	! 172_5	209.6
txed int	87.48 (14/3)	84,57 (15/5)	: 165.4 :128:11/47	50-03 (31/1/75)	Borgains	156.4 504.0	144.3 726,5
nd. Ord	922,8 (3,5)	770,3 (4/1)	982,8 (2/5/84)		5-day Average' Gitt Edged Bargains	186,3	185.9

Among other secondary Stores, French Connection reflected speculative support in a thin market and closed 13 higher at 355p, while Lincroft Kilgour rose 8 to 102p in belated response to the lucrative sale of response to the lucrative sale of its 12.42 per cent shareholding in Richards, the yarn manufacturing group. After the previous day's jump of 35 on talk of an increased bid from W. H. Smith, or a counter offer from BATs, Martin The Newsagent in titally dropped to 2000 but initially dropped to 300p but quickly reverted to the overnight level of 310p.

Good interim results from Sears and last month's record Sears and last month's record provisional retail sales figures helped leading Stores close at around the best levels of the day, Sears touched 92p in active trading before closing a net 2½ better at 89½p. Marks and Spencer hardened a couple of

pence to 250p.

Apart from the sharp setback in Thorn EMI, leading Electricals held steady in quiet trading. Elsewhere, Telemetrix tumbled to 310p before settling 40 down on balance at 320p following the warning about the company's ability to meet its prospectus profits forecast. Fidelity, in contrast, encounrineity, in contrast, executive tered demand ahead of the pre-liminary results, due shortly, and rose 15 to 75p. Farnell hardened 4 to 392p after the chairman's annual review, while

Thurs May 10

ladex No.

ladex No.

79.59 79.63 79.75 80.13 80.48 80.54 80.59 Fixed Interest 84.57 84,60 85.00 85.23 85.38 85,53 82,93 612,2 597,8 618,6 629,2 642,2 632,8 681,1 Ord. Div, Yleid 4,44 4,46 4.47 4.40 4,35 4,32 4.54 Earnings, Yid.% (full) 10.33 10.37 10.41 10.20 10.08 10.00 9.13 PrE Ratio (net) (*)...... 11.68 11.61 11.57 11.83 11.96 12.06 13.53 Total bargains (Est.) 24,272 25,057 23,239 20,045 20,095 21,568 16,602 Equity turnover £m. - 249.33 359,43 309.87 237,76 259.89 246.29 Equity bargains = 21,054 22,275 20,739 18,208 20,623 15,817 Shares traded (mi)... - 161,4, 196,5 169,5 134.4 138.6 131,7 10 am 874.2. 11 am 878.6. Noon 876.2. 1 pm 876.4. 2 pm 876.4. 3 pm 877.6. Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

H	GHS	AND	LOWS	5	S.E. ACT	IVITY	•
	1984		Since Compilat n			May 14	May 11
_	High	Low	High	. Low	-Daily		
iovt. Secs.	81.77	79.63 (14/5)	: 127,4 (8/1/55)	49 18	Gilt Edged Bargains Equities	! 172_5	209.8
ixed int	87.48 (14/3)		165.4 (28/11/47)	(51/1/75)	Borgains Value	186.4 504.0	144.3 726,5
nd. Ord	922,8 (8,5)	770,3 (4/1)			5-day Average' Gilt Edged Bargains	196 2	185.9
iold Mines	711.7 (8/5)	520,2 (17/1)	734,7 (15/2/85)	43.5 ,128/18/71;	Egulties	133.3. 564.2	132.3 561.9

United Scientific firmed 5 to 270p in response to the interim figures. Bowthorpe rallied 8 to 288p and Cable and Wireless 7 to 337p,

Among the Engineering leaders, TI continued to benefit from the chairman's encouraging statement at Monday's annual meeting and put on 6 further to 250p. Occasional demand lifted Hawker 12 to 436p. GKN, on the other hand, were inclined easier at 196p with sentiment not helped by the labour problems in Gerthe labour problems in Germany, Buyers displayed interest in Delta Group, which improved 51 to 92p, while F. Pratt were also supported at 41p, up 4.
600 Group, at 85p, gave up 7 of
the previous day's rise of 13
which followed news of the sale of its 28.7 per cent stake in Clausing Corporation to Rex-nord.

Grand Metropolitan touched 354p immediately after half-year profits some £2m sbove market estimates, but a subse-quent profit-taking left the price unchanged on the day at 340p.
Trusthouse Forte closed 2
dearer at 119p, after 120p. De
Vere Hotels, still awaiting news of the bid approaches, moved up

BTR below best Still reflecting the chairman's

optimistic statement at the annual meeting. BTR encountered further demand and touched 490p before drifting back on occasional profit-taking tack close 6 firmer on balance at 486p. Other gains in the miscellaneous industrial leaders were usually limited to a few pence, although Beecham were noteworthy for a rise of 7 to 322p. Reed Inter-national became a steadier market and hardened a couple of pence to 432p. Buying in antici-pation of the interim figures, due next Wednesday, left Avon Rubber 6 to the good at 162p, while Sidlaw, also scheduled to while Sidlaw, also scheduled to report half-year results today week, improved 12 further to 472p. Revived speculative demand lifted Metal Closures 7 to 196p. Davies and Newman rallies 9 to 202p and Shiloh were 4 better at 50p. Diamond Stylus rose 5 to 42p on the announcement that Mr Michael Clark had bought 600 000 shares in the com-

15 dearer at 265p, but Cosalt fell 61 to 67p despite the reduced half-year loss and return to the

Norton Opax gained the same amount to 138p. Revived demand in a restricted market lifted Herrburger Brookes 9 to 51p. but profit-taking clipped 7 from Juliana's, at 488p.

H. Young added 5 more for a two-day gain of 20 to 92p owing to renewed speculative demand in a thin market. Elsewhere in Garages, Lex Service advanced

Buyers showed an increased interest in Portsmouth and Sunderland Newspapers ahead of the preliminary results, scheduled for June 4, and the close was 8 higher at 173p, Elsewhere, Fleet Holdings rose 7 to 157p and James Cropper added 8

Secondary issues provided the noteworthy movements in Properties. Chesterfield rose 5 to 386p, after 390p, in response to the increased annual income and property revaluation, while Berkeley and Hay Hill put on 2; to 164p on speculative buying. P & O Deferred lost 5 to 310p, after 309p, following the Govern-ment's decision to refer its bid for Sealink UK to the Monopolies Commission, a move seen by many operators to further impair the chances of Trafalgar House making a renewed offer for the

company.

Bishopsgate Trust firmed 5 more for a two-day gain of 23 to 210p on the agreed bid from BPCC, 5 harder at 208p.

Leading oils firm

Strong North Sea and Middle OPTIONS East crude oil prices on the Euro-pean spot market in response to heightening Middle East tension heightening Middle East tension sparked off renewed demand for the oil majors which closed with useful gains throughout. Shell, first-quarter figures due tomorrow, rose 7 to 650p, while British Petroleum gained the same amount to 495p. Ultramar, additionally buoyed by a broker's recommendation, moved up 15 to 652p. LASMO firmed 12 to 307p and British 9 to 237p.

307p and Britoil 9 to 237p. In sharp conirast Irish exploration issues moved sharply lower on rumours of a dry well in the Porcupine Basin where Aran Energy holds an interest. Aran reacted to close 9 down at 68p, while Atlantic Resources, at 69p, registered a sympathetic fall of 12. Bula shed 2 to 25p, while Eglinton, a good market initially on Press comment, eased back from 235p to close just 3 dearer

on balance at 228p.
Elsewhere, Bryson met with fresh support on Columbian exploration hopes and advanced 50 to 660p, after 670p, Petrano a strong market since its Stock Market debut in February when the shares were offered for sale at 125p, were again briskly traded and, after opening lower at 570p, moved up to a peak of 610p prior to closing a net 25 down at 575p.

Golds rally

Another relatively steady performance by bullion, which traded within narrow limits throughout the day before closing \$0.50 up at \$373.50 per 02, stimulated a modest rally among South African Golds.

A shade firmer at the outset, share prices moved ahead, albeit in thin and sensitive trading, as Johannesburg selling was outweighed by sporadic demand from London and Continental sources, much of which represented professional bear closing.

to 196p. Davies and Newman rallic; 9 to 202p and Shiloh were 4 better at 50p. Diamond Stylus 144 to 612.2—the first rise since rose 5 to 42p on the announcement that Mr Michael Clark had bought 600,000 shares in the company. Fresh demand in a limited regained the losses sustained on

'F.361.50 F.94.60

F.63,80

F.145.50

F.159 30

5 | 4.40 | F. |
20 | 1.80 | G. |
20 | 1.80 | G. |
20 | 2.2 | 1.50 | B. |
20 | 2.2 | 1.50 | G. |
20 | 2.3 | G. |
20 | 2.3 | G. |
20 | 2.3 | G. |
20 | 2.5 | G. |
20 | 2.5 | G. |
21 | 1.80 | G. |
21 | 1.50 | G. |
22 | 1.50 | G. |
23 | G. |
24 | G. |
25 | 1.50 | G. |
26 | 1.50 | G. |
27 | 1.50 | G. |
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30 |

EUROPEAN OPTIONS EXCHANGE

Sept.

25 7,30 5 4,80 E 22 10,70

June __ ' __ 10 · 0.08

July
F.400 85
F.440 2
F.380 36
F.100 35
F.100 35
F.100 35
F.90 170
F.100 33
F.65 25
F.70 170
F.100 37
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F.150 36

TOTAL VOLUME IN CONTRACTS 16,260

3.50 3.70 5.50 3.30 7.90 3.50 4.10 A 4.10 A 4.10 A 4.30 B 0.90 2.70 7.80 A 1.20 9.50 A 1.20 9.50 A 1.20 9.50 A 1.30 A 0.80 B 0.80 B 0.80 B

B=Bid

20

C=Call

F.400 F.480 F.180 F.180 F.180 F.165 F.760 F.140 F.180 F.140 F.180 F.180

RD G G G C C P P C P RD P P C P RD IL P

stocks to gain over a point included Southvaal, £421, Free State Geduld, £261, and Harteebeest, £56. Elsewhere, Blyvoor advanced 38 to 983p, Grootviei, 21 to 878p, and West Rand 20 to 619p. to 619p.

the other hand, eased a fraction to £16‡: the preliminary results were not known during market hours.

took encouragement from firmer domestic equities with RTZ outstanding at 620p, up 12. Consolidated Gold Fields rose 5 to 530p.

Mines of Kalgoorile finished 10 off at 605p, after 598p, while Central Norseman lost 5 to 343p, Demand for Traded Options Demand for Traded Options declined sharply and total contracts struck amounted to 2,833—the lowest since introduction of the FTSE 100 index contract. This again provided the focal point, attracting 673 calls and 313 puts yesterday. Elsewhere, a lively two-way trade was noted in Grand Metropolitan, which recorded 158 calls and 148 puts following better. and 146 puts following better-than-expected interim results. Marks and Spencer recorded 180 calls, 100 of which were transacted in the October 260's.

Dealings ings tion ment
Nay 8 May 18 Aug 9 Aug 20
May 21 June 8 Aug 30 Sept 10
June 11 June 22 Sept 13 Sept 24

Based on barg	sine nor	orded is	Sm-k
Exchange Offici			. OIGER
Exchange Offici			
	No. of	Mon.	Day's
Stock	changes	ciose	changa
Petranol	. 25	600	+95
Euro Ferries	21	115xd	+ 54,
BTR	18	480	+20
BSR Introl	15	250	-1B
Glaxo	14	825	
British Aero	13	257	+11
BAT inds	12	219xd	+ 3
Hanson Trust	. iī `	224	÷ 9,
Martin the		224	· 2-2
Newsagent	. 11	310	1.65
	. !!		+ 35
Unilever		915	- 10
Bowater	. 70	31B	- 5
8P	10	488	+ 3
Midland Bank	10	368	
Shell Trans	10	643	+ 3
			- J

First Last Last Last For Deal- Declara- Settle-

pased on parg	ains rec	ordad ii	1 STOCK
Exchange Offici	al List.		
	No. of	Mon.	Day's
Stock	changes	close	change
Petranol	. 25	600	+95
Euro Ferries	21	115×d	+ 51,
BTR	. 18	480	+20
BSR Introl	15	250	-1B
Glaxo		825	
British Aero	13	257	+11
BAT inds	12	219xd	+ 3
Hanson Trust		224	+ 94,
Martin the			
Newsagent	. 11	310	+ 35
Unilever		915	-10
Bowater	70	31B	- 5
8P	10	488	+ 3
Midland Benk	10	368	· <u> </u>
Shelf Trans	10	643	+ 3
			

Monday, Randfontein railied 21 to £100, while other top-quality

interim dividend list.

Among Leisure issues, Hawley Group subsidiary Black and Edgington rose 8 to 106p, while Norton Opax gained the same

South African Financials were irregular. De Beers firmed 7 to 516p, while Gold Fields of South Africa hardened half a point to £14i. Anglo American Coal, on

London-domiciled Financials

Australians lost ground for the seventh consecutive session as overseas selling continued to unsettle Sydney and Melbourne markets. Leading diversified stocks gained scant encouragement from firmer base-metal prices and Western Mining, 245p, and CRA, 348p, gave up 7 and 16 respectively.

"Down-under" golds also lacked followers, although most closed above the worst. Gold Mines of Kalgoorile finished 10 Australians lost ground for the

Stocks favoured for the call included Tootal, Asia Oil, Gesteiner A. Aran Energy, Racal, Pict Petroleum, Hampton Irish Trust, GEC, Barratt Developments, British Petroleum, Al Industrial Products, F. H. Lloyd, Fleet Holdings. Astra Industrial and Readicut. Puts were done in Glazo, Sunbeam Wolsey and Petranol, while a double was taken out in GEC.

ACTIVE STOCKS

Above everage activity	was n	ni basor
the following stocks y	eSterday	<i>t</i> .
Stock	Closing	
Barers Haehld Stores	153	+31
Bass	378 322	+15 +65
British Aerospace	495	+ 7
Grand Metropolitan	340	<u> </u>
P. & O. Delerred	310	- 5 -25
Petranol	575 881 ₂	-25 + 21 ₂
Shell Transport	650	+ 7
Thorn EMI	583	-32
Ultramar	622 124	+15 + 6
**************************************	124	
MONDAY'S		

ACTIVE STOCKS

			_
Based on barg Exchange Offici		orded in	Stock
-	No. of	Mon.	Day's
Stock	changes	close	change
Petranol	. 25	600	+95
Euro Ferries	21	115xd	+ 5%
BTR		480	+20
BSR Introl	15	250	-1B
Glaxo		R35	
British Aero	13	257	+11
BAT inds	12	219×d	+ 3
Hanson Trust	11 `	224	+ 94,
Martin the			
Newsagent	. 11	310	+ 35
Unilever		915	-10
Bowater		31B	- 5
BP		488	+ 3
Midland Bank	10	368	٠
Shelf Trans	10	643	+ 3

Renunciation date usually last day for dealing free of stamp duty, b Figures based on prospectus estimates. d Dividend rate poid or payable on part of capital; cover based on dividend on full capital, g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings C Canadian F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. I Issued by tender, ¶ Official to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. § Reintroduced. The Issued in connection with reorganisation merger rateover. ■ Allotment letters (or fully-pold). ¶ introduction. № Unlisted Securities Market. § Placing price. †† Official London Listing. ** Offered as units, comprising and ord and one N/V A ord. † No par value. § Price at suspension. Delaney Group was formerly Birmingham Pallet.

NEW LOWS (79)

NEW HIGHS AND LOWS FOR 1984 NEW HIGHS (38)

ELECTRICALS (1) ability ENGINEERING (2) Neil Clames) FOODS (1) HOTELS (1) SUSTRIALS (8) Brit. Aerospace
Outay Bitumastic
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Cnv '01-06 Barr & W.A.T. A
NEWSPAPERS (2)
Octobus Publishing
Pismth & Sndriand
News

PAPER (2)
(James) Delyn Packagin
PROPERTY (3)
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LONDON TRADED OPTIONS

Dencora
TEXTILES (1)
Illingworth Morris A
TRUSTS (4)
Bishopspate Trust Energy 1
Derby Trust Cap. Wroterbe

NEW LOWS (79)

INT. BANK & O'LAS GOVT ISSUES (
CORPMENCANS (A)

CORPMENCANS (A)

GANADIANS (B)

BANKS (4)

BUILDINGS (2)

CHEMICALS (A)

ELECTRICALS (A)

ENGENERING (B)

FROPERTY (B)

LEISURE (2)

PROPERTY (B)

SOUTH AFRICANS (1)

TRUSTS (13)

ORIS (4)

MINES (11) RISES AND FALLS YESTERDAY Rise: 72

British Funds Corpns. Dom. and Foreign Bonds ... Industrials Fin. and Props. ... A USTS (4) Enorgy Res & Serv's Winterbottom Energy

Feb. Aug.

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Nov. Feb.

110 80 45 21 9 96 -62 70 35 45 17 24 260 280 300 330 360 31 22 15 6 18 12 61: Cons. Gold 3 14 35 80 127 Lonrho (*137) 39 30 22 16 6 140 160 180 200 220 240 3 7 14 24 Com. Union 34 42 22 28 13 17 7 — 26 14 6 2 161: 101: 7 B0 56 34 15 CALLS

Sep. Doc. June Sep. 68 32 10 48 22 47 33 16 61 300 330 360 3 -7 16 31 85 65 27 7 90 60 33 12 65 2 40 6 18 20 50 30 10 6 70 50 30 15 6 85 68 53 32 60 102 150 200 Marks & Sp. | 200 (*250) | 220 | 240 | 260 | 280 53 54 18 7 3 39 23 12 5 Guest Keen | 160 (*195) | 180 200 220 42 25 17 10 -70 35 14 500 | 255 550 | 105 600 | 62 650 | 25 700 | 8 1 lg 2 6 18 60 78 45 88 15 27 66 58 51 45 55 21 65 48 42 30 16 54 41 26 Aug. Nov. Aug. Nov. Feb. Feb. 17 37 80 53 52 10 27 37 32 12 — 72 — — 120 42 18 8 2 20 42 — 460 500 550 600 T-SE Index (*1094) 1075 40 58 1100 22 47 1125 11 33 1150 5 19 50 65 65 77 79 90 100 112 28 14 61₂

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Wed May 9

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| Index | Day's | Day's | Day's | No. | Change | High | Low | 1694.6 | +12.2 | 1695.0 | 1083.6 | - 1082.4 1078.7 1094.4 1109.9 FT-SE 100 SHARE INDEX. Tues May 15 AVERAGE GROSS REDEMPTION YIELDS FIXED INTEREST zi zij. Loday जो अर्थे 1984 १० क्रिक Day's change % Mon Hay 14 18.84 10.76 18.83 10.79 10.25 11.61 11.24 10.55 11.74 11.40 10.64 10.08 9.54 10.29 10.11 11.37 11.11 10.50 11.45 11.29 10.44 18.11 Times May 25 1 Low 2 Coupons 26.23 11.59 11.20 10.53 11.72 5 Coupons 4.95 +0.07 115.48 1 5 years. 4.92 +0.20 126.95 127.20 2 5-15 years .. 11.37 10.63 4.82 +0.22 135.05 135.35 3 Over 15 years 6.07 144.53 -0.26 344.91 10.11 4.95 12.10 11.88 11.89 12.05 11.86 11.79 12.21 12.26 12.16 126.11 +8.15 125.92 11 Behs & 12 Leans 5 years... 15 years... 25 years... 4,47 105.69 -0.17 105.88 12.59 12.68 12.26 2.84 14 Pre 78.45 +0.08 78.39

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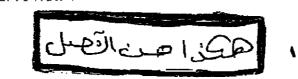
†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday Issues. A list of constituents is valiable from the Publishers, the Financial Times. Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

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FT LONDON SHARE INFORMATION SERVICE

DRAPETY A STORES COME THE RESERVICE THE RESE RICANS
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TH ENGINEERING—Continued **AMERICANS** BEERS, WINES—Cont. 1986 | Stack Price - Str | Ytd | Price Price | | Section | Proceedings | Procedure | Proc | COANS | Building Societies | 150 | See Part | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 |



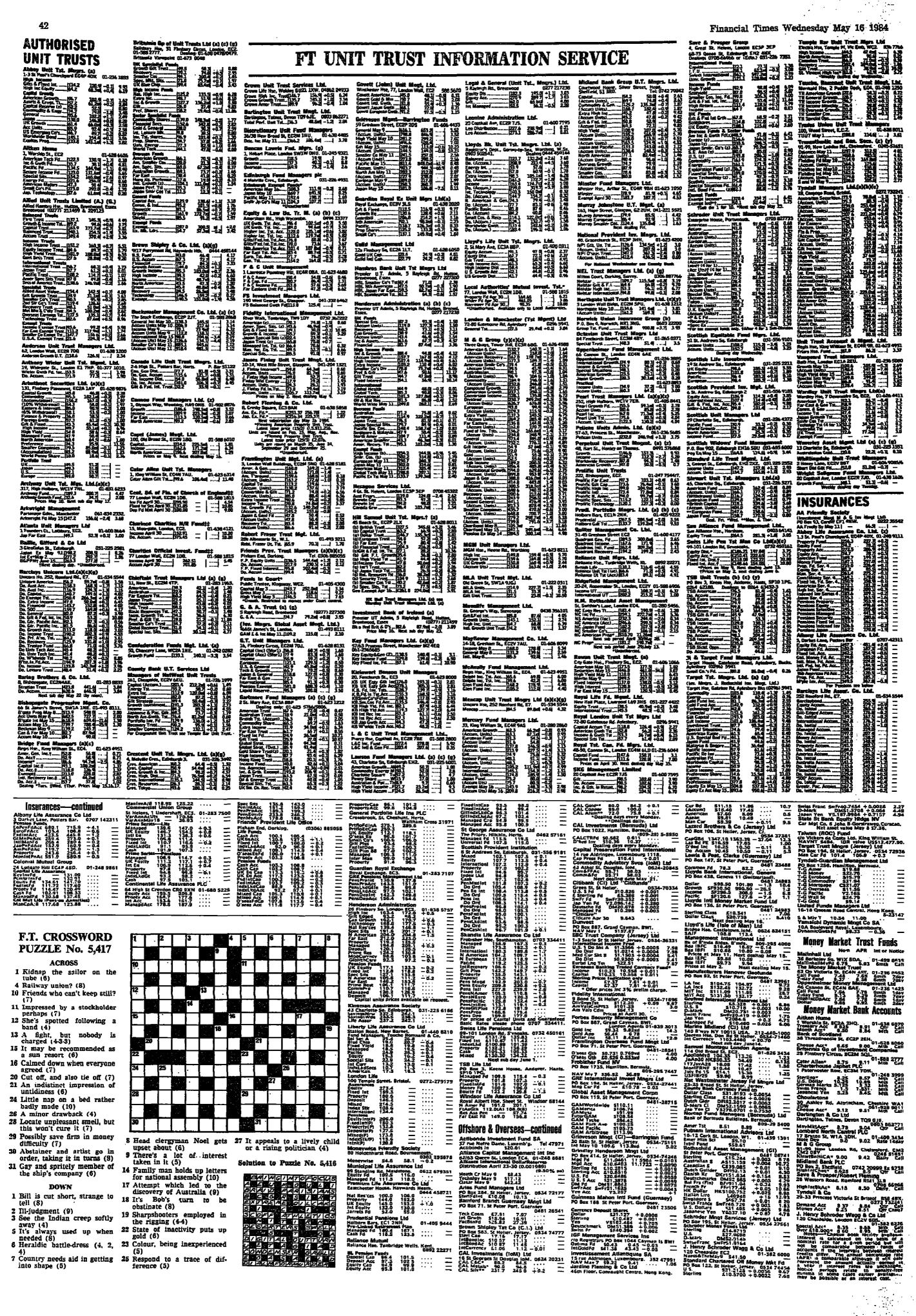
PROPERTY—Collisions

INVESTMENT IN THE PROPERTY—COLLISION Financial Times Wednesday May 16 1984 INDUSTRIALS—Continued LEISURE—Continued PROPERTY—Continued INVESTMENT TRUSTS—Cont. | OIL AND GAS—Continued Price + or Sh Cyr Gr's International Financier Finance, Land, etc Eastern Rand 271 | 190 | Bracker 90c ... | 478 | 275 | WCons Modition Sc. | 478 | 275 | WCons Modition Sc. | 415 | 271 | East Dagga R1 ... | 717 | 530 | EPGG R0 50 ... | 520 | 114 | Kinrous R1 ... | 285 | 700 | Leslie 55c ... | 308 | 218 | Marievale R0 ... | 589 | 383 | 5. African Ld. 35c ... | 422 | 170 | Visia forther 50c ... | 526 | 125 | Wrt. Nigel 25c ... | 526 | 125 | Wrt. Nigel 25c ... | 527 | Wrt. Nigel 25c ... | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 528 | 52 Far West Rand t Rand

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Financial Times Wednesday May 16 1984 Rarctays Life Ass. Cont. 135.0 142.3 0.04 15.7 0.05 15.7 instangement Ltd. 15.7 instangement Ltd.	Mambre Pacific Fund Mgmt. Ltd. Richmend Life Ass. Ltd. 2110, Connuncial Cense Mong None Ser. Ext. Mary 9 84 99 473
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Shortage

COFFEE PRICES on the London future: market moved

up again yesterday to reach 61-year highs, with the July position ending £55.50 up on the day at £2.328 a tonue.

In the absence of fresh fundamental pages declared at findamental pages declared actions.

mental news, dealers attributed the advance to the continuing

interests, the National Associa-tion of Local Councils says.

boosts

coffee

Current crop potato futures jump again

THE PRICE of current crop held back to supply makers of potatoes on the London futures crisps and chips, for which promarket rose sharply again yesterday as supplies from last able.

The makers will have to pay year's weather-reduced crop edged nearer exhaustion.

The May delivery quotation, the last remaining position for 1983 crop supplies, rose £17.80

The makers will have to pay through the nose to keep their factories operating through the next few weeks," a trader forecast.

to £279.80 a tonne, up £44.80 Shop prices for old potatoes from a week ago. Traders believe supplies from the 1983 until the new crop deliveries crop, which was affected by wet weather at planting time and drought throughout much

Old crop potatoes are still crop stress fears caused by the available but these are being recent dry spell.

until the new crop deliveries

In contrast to the rise in the and drought throughout much of the growing season, are sufficient only for another week or so.

After that there will be a gap of several weeks until new crop supplies start arriving from ended £4.20 down at £74.30 a supplies start arriving from ended £4.20 down at £74.30 a tonne, reflecting the easing of

U.S. may sell off quality maize held since boycott

U.S. Department of Agriculture officials are considering a proposal to sell off quality matze stored since Prsident Jimmy Carter's ill-fated partial boycott

The European Community has been selling denatured breadwheat for feed. Australia has been selling some of its large wheat stocks for feed purposes. stored since Prsident Jimmy Carter's lil-fated partial boycott against the Soviet Union in

Several million bushels have been deteriorating in com-mercial warehouses. Unless these are soon sold for feed they must be thrown away eventu-ally, the officials fear.

The grain would be sold to The grain would be sold to exporters on competitive-bid basis. In a meeting with representatives of agricultural trade and export groups Mr D. G. Amstutz, Agriculture Under-secretary, said the move would help the U.S. become more price - competitive with other grain-exporters other grain-exporters.

Aluminium £1100 £1100 Free Mkt......... \$1290 1829 --40 \$1418/440

LONDON OIL

SPOT PRICES

CRUDE OIL-FOB (6 per barrel)

GOLD MARKETS

and a peak of \$3731-3741.

In Paris the 121 kilo gold bar

was fixed at FFr 101,500 per kilo

(\$372.77 per ounce) in the after-noon, compared with FFr101.500

(\$372.22 in the morning) and FFr 101,600 (\$372.36) Monday

In Frankfurt the 124 kilo bar was fixed at DM 33,165 per kilo (\$374.50 per ounce), against DM 33,255 (\$37248), and closed at \$373\dagger

i8385 3853, |\$1961₄-199 |\$1011₄ 108 |\$411₄-42 |\$3841₄-5851₈

PARIS. May 15. Sugar—(Ffr per tonne): Aug 1380/ 1382, Oct 1452/1457. Dec 1565/1570. Mar 1715 value, May 1795 value, Aug 1860/1880.

EUROPEAN MARKETS

May 15

Gold Buillon (fine ounge)

Gold and Platinum Coins May 15

\$3731,45731, (£269.2691g) | \$5721,5731, (£2691g.269) | \$5721,5731, (£2691g.269) | \$371.3711g (£3681g.2691g) | \$373.35 (£269.176) | \$371.20 (£266.596) | \$373.26 (£269.261) | \$372.65 (£268.605)

(£278 £7812) |King 8ov 88912 91 (£5412-5612) (£14314-14334) Victoria 8ov 88912 91 (£6412-6612) (£73-7314) |French 20s 87112-7314 (£5112-5214) (£2512-5314) |French 20s 87112-7314 (£5112-5214) (£2914-3014) |BO Pascs Mex8661-463 (£332-3-3414) |£27734-27814| 100 Cor-Aust 5363-366 (£252-26414) (£6314-64) |\$20 Eagles \$685-566 (£48212-42914) (£36-6812) |Nobie (Flat.) \$397-40112 (£28614-28912)

Gold rose Si to \$373i-373i on

Prices opened a shade steadler but moved quickly back to unchanged. Strength in New York crude and geso-line took the market to the highs on the re-opening but weaker hearing oil put pressure on prices and the market closed on the lows, reports Premier

Change Latest + or —

PRICE CHANGES -

USDA officials hope that by selling cheaper grain total U.S. exports will be boosted. Some analysts, however, believe the sales could displace U.S. feed grains in the world market. They

say demand is limited for lowquality grain. Mr Amstutz has asked the exporters, most of whom are

South Africa overflows with milk surplus EAST OF Johannesburg. out

John Empson on drought-hit farmers' use of cows to convert failed harvests to cash

ing countryside is brown, fol-lowing three months' drought. Occasionally a crop of more resistant sorghum stands out in contrast to thin standings of maize or bare stubble.

At Ermelo, about 155 miles from the city, is the up-to-date milk-powder factory of National Turnaround

The Maize Board expects a supply from this harvest of 2.7m tonnes compared with 3.5m tonnes last year and a poorish crop of 8m tonnes in 1982. About 10m tonnes is said to be the usual average, providing 6m the rest for export. There will be a turnaround this year with imports, mainly from the U.S., exceeding 4m tonnes.

Net farm income in South

dairying to some degree. There are 2,250 fresh-milk producers, usually specialised with large herds, and about 30,000 smaller industrial milk suppliers, keeping a few cows in mixed hus-

bandry systems.
Almost two-thirds of South Africa's industrial dairy output is from the drought-affected

Silage and the residues from a month ago skim milk was tem-porarily wasted in neighbouring of R2.7bn (£1.5bn) in 1981 to the sale of milk leads to much-needed immediate cash.

curiously the second successive serious drought in South Africa has helped to create the country's biggest milk surplus for a generation.

scheme is intended to help reschedule and carry forward buoyant let markets have been buoyant let markets have been weak because of the general depression. Powder provided an approximately surplus for a generation. lem is lack of cash. It is here that milk production helps.
Out of about 65,000 farmers in South Africa a little more than 30,000 are engaged in the sale of high-fat fresh

Popular item

milk products.

Sour milk-Maas-is a traditionally popular item among the slack population. NCD has successfully introduced higher fat products of a similar kind. disposal. One, named Amasi Asekhaye. is doing particularly well.
Translated from Zulu, this
means sour milk as it was at

home. Perhaps this evocative choice of name is the reason

South Africa usually has a small balancing import of dairy products but now the country is in a surplus of between 5 per cent and 10 per cent more than it needs. About 10,000 tonnes of skim milk powder were

exported last year.

More will be available this year and a surplus of about 2,000 tonnes of butter and 3,000 tonnes of cheese may be expected.

Even such small quantities as shortage of quality supplies for these are difficult to sell on a world market with prices around the General Agreement on Tariffs and Trade minimum. The New Zealand Dairy Board, always sensitive to the page 18. always sensitive to the appearance of a weak seller in its markets, is assisting in the

onsposal.

This is expected to be a temporary situation. One hears, none the less, of similar problems in Zimbabwe and of full stores at Kenya Co-Operative Creameries, the biggest dairy operation in Kenya.

NALC has adopted re-rating of agriculture as part of its policy because it feels rural local

government needs extra locallybased income.

CAL INVESTMENTS has launched a fund to put resources in copper without directly hecoming directly members becoming directly involved in the market. Copper Trust, a sterling denominated non-discretionary offshore unit trust established in the Isle of Man, will allow private investors to take an interest in the market for a £500 minimum.

• VEGETABLE exports by Israel will hit record levels next winter. They will include an estimated 30,000 tonnes of celery, icroberg-lettuce and Chinese leaves—three times last winter's quantity—and 70 per cent will come to Britain. When a pre-determined weight of chickens has arrived they are transferred to a stack-

cent will come to Britain, according to Agrexco, Israel's horticultural marketing agency.

UK consumption of salad vegetables is growing the fastest in Europe and most winter supplies come from Israel and Spain. Most of Israel's extra output is coming from land brought under cultiing conveyor. The machine has four of these. They make up a module. This can be taken to the transporter by fork-lift truck. from land brought under culti-vation in a drive to earn more foreign currency.

BAUXITE mining operations

in the Dominican Republic will be closed by Aluminium Company of America because there is no longer need for the Apart from the benefits to the chickens, Tamdev claims the ore in the world market, Mr Charles Parry, chairman, told the company's annual meeting.

gradient St

SANCE CEN

30000

MEY MAI

MAN VIN

BY NANCY DUNNE IN WASHINGTON

extending a conference in California this week, to comment on the proposal before USDA makes a final decision. It is unclear precisely how much government-owned grain would be available.

One Coconut (Phil) \$1385w +60 \$1150 Groundnut ... \$1165 Linsed Crude 1 ... \$1165 Linsed Crude 1 ... \$150 \$770

‡ Unquoted, z June. v July. w May-June, x June-July. † Per 75 lb flask, * Ghana cocoa. n Nominal. c Centa per pound.

PRODUCTS—North West Europe (5 per tonn

Premium gasoline... 273-277: +1.5 Gas Oil 240-246 +0.5 Heavy fuel oil 187-190 |

\$ U.S.

Turnover: 1,586 (1,458) lots of 100

In Luxembourg the 121 kilo

5 per tray '

May 14

GAS OIL FUTURES

Seeds Copra Phil...... \$800x Soyabean(U.S.) \$346.5

May 15 + or | Month 1984 — | ago

Indian tea prices rise sharply

normally some of the richest

maize-growing land of South Africa. Now the flat, undulat-

Co-operative Dairies, a pro-

The manager of the dairy

does not, however, recount a

tale of drought-depleted milk

supplies. In fact, he has been receiving as much milk as his

plant can handle and his prob-lem is how to stretch his fac-

tory's fresh water ration to do

His powder store is full and

ducers' group that handles a quarter of the country's milk.

PRICES FOR CTC (crush, tear and curl) tea advanced fairly sharply at the Calcutt auctions this week, rising by Rs 2 to Rs 3 to reach an average of Rs 33 a kilogramme. This signalled the market's welcome of the Indian Government's decision to lift the ban on CTC tea exports last Saturday.

The industry as a whole has greeted the order with un-reserved enthusiasm as the most timely action that would help the country raise exports to to 220m kg, the 1984

target. The decision is timely because this happens to be the period when the second-flush teas from North Indian gardens have begun to arrive. July and August represent the heaviest plucking months of the season.

Mr Q. N. K. Daga, president touched on this point when he said that in spite of a ban India ays that with the second-flush did fulfil her export obligations of the Tea Association of India, says that with the second-flush period fast approaching the de-cision would enable the tea industry to concentrate on ex-ports and to boost foreign exchange earnings. It would provide the industry with the necessary encouragement to in-

crease production.

Ex Daga estimates that this year's crop could be about 630m kg. Another leading tea-planter felt that apart from being an

action most appropriately timed, the measure would restore foreign tea-buyers' confidence in India as a source of purchases. In announcing the decision at the annual meeting of the been expecting that the ban Indian Tea Association last weekend the Commerce Minister

to the world last year.

The exports at 209m kg were a little more than the annual average 200m kg.

He has asked the tea board and the exporters to make concerted and vigorous marketing efforts so that an remaining misapprehension in importing countries might be dispelled.

The minister has, however, warned that the Government would keep a careful watch on the situation for the first few days to see whether undue increases in domestic prices

June 138 quoted cif, free out. Rest HGCA — Locational ex-farm spor prices. Feed barley: S. East 119.20, S. West 120.70, N. West 120.70. The

UK monetary coefficient for the week beginning Monday, May 21 (based on HGCA calculations using 5 days exchange rates), is expected to remain unchanged.

Prices opened steady with the spot month continuing to lead. A lacklustre day saw prices close in new high ground although the volume was low, reports CCST Commodities.

p. per kilo (deadweight)

June 119.2 119.4 119.9 118.7 Aug 116.9 116.4 116.9 116.5 Oct 120.2 119.8 120.2 120.5 Nov. 120.9 120.5 121.0 Feb 118.3 117.9 April 118.0 117.9 118.0

May was very strong, with buyers chasing prices higher as sellers raised levels. New crops eased as wet weather came into some areas, showing falls of some 15.50 before recovering a limite at the closs, reports Coley and Harper.

Yesterdy's Previous

£ per tonne

Sales: 753 (858) lots of 40 tonnes,

PIGMEAT

POTATOES

RUBBER

not only producers but animal welfare campaigners, too. It bears a passing resem-blance to a small combine-harvester. It has a revolving foam-rubber paddle in front. This forces the chickens to step

broiler chickens an hour

Machine loads 5,000

BY BRENDAN KEENAN

AUTOMATION has come to the delicate art of chicken catching. A machine which can load 5,000 chickens an hour from their intensive broiler units into trans-porters has been introduced.

The machine is known as the Tamdev APS 2000. It was designed and is being built in Northern Ireland. It will provide manufacturing employment in the Province with a target of 300 jobs in the Lisburn factory at full production.

Loading broiler chickens has until now been both inefficient and unpleasant. What the in-dustry calls downgrading and most people would call injuries is estimated to cost UK pro-ducers £30m a year. The machine has, therefore, pleased

machine can load five times as fast as two manual operators. The company says the pay-back period for producers varies be-tween seven and 12 months.

AMERICAN MARKETS =

on to a conveyor-belt.

NEW YORK, May 15.

Gold and silver showed marginal geins as light short-covering developed in response to the firmer tone to currencies and financials, reports Heinold Commodities. Copper gained on buying encouraged by continued stock drawdowns. Sugar was steady as light trade support emerged at lower levels, Cocoa traded around unchanged levels as serly losses were erased on snort-covering and desier buying, white commission house selling posed overhead resistence. Coffee continued to show a steady tone on continued lears of cooler weather moving into the Brazillan COTTON LIVERPOOL—Spot and shipment sales amounted to 75 tonnes. Operations were renewed on a moderate scale and business was done in certain African and American styles. Some attention was also centred on Russian and Turkish growths.

WOOL FUTURES

SYDNEY GREASY WOOL-Close in SYDNEY GREASY WOOL--Close in order: buyer, seller, business.). Austrahan cents per kg. May 564.5, 565.0, 564.5-564.0 July 677.0, 577.5, 577.5; Oct 569.0, 571.0, 569.0 Dec 577.5; 585.0-579.0-577.5; March 583.0, 854.5, 585.0-584.0; May 592.0, 595.0, untraded; July 598.0, 600.0, 599.0; Ocr 593.0, 596.0; umtraded: -- Selss: 31. LONDON NEW ZEALAND CROSS-

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, salier, business). New Zealand cents per kg. May 420, 432, ni; Aug 450, 451, 453-451; Oct 452, 453, 454-452; Dec 457, 460, 461-458; Jan 457, 458, 461-458; Mar 467, 468, 470-468; May 477, 478, 480-478; Aug 488, 490, 492-491; Oct 489, 490, 492, Sales; 74.

- INDIÇES · FINANCIAL TIMES May, 14 May, 11 M'th ago Year ago

312,08 313,34 305.73 274,04 (Base: July 1 1952=100) REUTERS May 15. May 14 M'th ago Yearago 1990.8:1987.8 2004.0 1810.4

(Base: September 18 1931 = 100) MOODY'S May 11 May 10 M'th ago | Yearago 1066.7 1071.0 1077.5 1058.9 (Base: December 31 1974=100)

DOW JONES Dow May May Month Year Jones 11 10 ago ago Spot 138.67 158.56 140.94144.45 Furs 138.95 139.13 142.95 149.28

MEAT/FISH

PHYSICALS—The London market opened unchanged, attracted little interest throughout the day and closed on an idle note, reports Lawis and Peat. Closing prices (buyers): spot 72.00p (72.50p); June 76.00p (same); July 77.00p (same). The Kusia Lumpur June fob price for RSS No 1 was — (225.5) cents a kg and for SMR 20 was — (215.0).

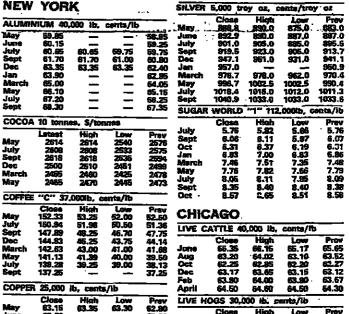
FUTURES—Close (buyer, seller, business). RSS No 1. £ per tonne. June 715, 729, nil; July 735, 739, 740. Aug 743, 748, 748; Sept 752, 758, nil; Oct 763, 788, nil; Juny 736, 778, 777; Dec 762, 788, nil; Jan 788, 795, nil; Feb 798, 802, nil; Jan 788, 795, nil; Feb 798, 802, nil; April June 815, 823, 822; July/Sept 832, 841, nil; Oct/Dec 846, 851, nil. Sales: 18 (14) lots of 5 tonnes. MEAT COMMISSION—Average fat-atock prices at representative markets. GB—Cattle 100.02p per kg lw (+1.78). GB—Sheep 195.04p per kg est dow (-17.02). GB—Pigs 86.30p per kg lw

(-17.02). GB—Pigs 86.30p per kg lw imported produce: Tangors—Jaffa: 6.20-6.60. Topaze—Jaffa: 4.90-5.85. Oranges—Spania: 5.00-5.80; Moroccan: Maroc lates 6.00-6.00; Jaffa: Valencia lates 15-kg 56 5.60, 72 5.30, 83 4.90, 100 4.90, 113 5.10; 20-kg 60 7.60, 75 7.45, 88 6.50, 105 6.00, 123 5.00, 144 6.50; Cyprus: approx 15-kg Valencia lates 3.80-8.00. Lemons—Italian: carton 4.80-4.80; Spania: 5-kg 1.80-2.20; 15-kg 5.00-5.85; Outspan: 15-kg 6.90-7.50, Grapefrult—U.S. Ruby 10.00; Cyprus: 32 3.80-4.00, 49 3.80-4.00; Jaffa: 20-kg 27 4.80, 12 5.00, 36 5.65, 40 5.46, 48 5.70, 56 5.40, 64 5.30; 16-kg Jaffa Royal 27 4.40, 32 4.60, 36 4.40, 40 4.15, 48 3.90, 56 3.70; Outspan: 32 5.30, 36 5.20, 40 5.00, 48 5.00. Kurngunts—Brazitian: box 5.00-16.00 5.00. Kumquats—Brazilian: box 6.00. Pomelos—Jaffa: 5.20-6.85.

SMITTRIELD—Pence per pound. Beef: Scotch killed sides 78.0 to 84.0. Veal—Dutch hinds and ends 120.0 to 126.0. Lamb—English small (new sesson) 100.0 to 106.0. medium (new sesson) 96.0 to 104.0. heavy (new sesson) 94.0 to 108.0; lignorted: New Zealand (new sesson) 67.5 to 68.5. Pork—English under 100 th 53.3 to 60.3, 100-120 th 54.0 to 58.0, 120-160 th 49.0 to 58.0.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package unless otherwise stated. English produces: Apples—Fer pound. Cox's 0.18-0.32. Bramley 0.20-0.28. Pears—Per pound. Conference 0.13-0.26. Strawberries—Julb 0.80. Potatoes—Whites 5.80-6.40. Edwards 6.40-7.00. Sakers 7.80-9.00. Mushrooms—Per pound, open 0.50-0.70. closed 0.75-0.90. Lantuce—Per tray round 1.00-1.40. Cos dozen 2.20-2.40: Webb's 2.40-2.50 Onions—Per 55-ib 9.80-10 80. Bestroots—28-ib round 2.80-3.00. Carrotts—28-ib 3.00-4.50. Greens—30-ib Kent 1.20-1.50. Lecks—Per pound 0.16-0.18 Tornatos—Per pound 0.45-0.50. Cucumbers—Tray 2.40-2.80. Califfowers—Kent dozen 3.40-3.80. Lincoin 2.80-3.20. Spring Onions—Bunch 0.05-0.10 Rhubarb—Outdoor per pound 0.06-0.10 Rhubarb—Outdoor per pound 0.06-0.10 Rhubarb—Outdoor per pound 0.06-0.10 Rhubarb—Outdoor per pound 0.06-0.10 Celery—4.00-4.50. Courgettes—lale of Wight, per pound 0.50. Watercreas—20s 2.40-2.60, lee Pack 20s 3.40-3.50. Satad—Cnspa 16s 1.00-1.10.

NEW YORK



High 360.0 343.4 343.3 357.0 367.6 May July Sept Dec March May

Sales: 155 (52) lots of 100 tonnes. 0 (1) lots of 20 tonnes.

SOYABEAN MEAL

£

The market opened slightly easier, eports T. G. Roddick. Hoavy shipper selling eased prices further during the

Yest'day's Previous Business close close done S per tonne

tonnes.

Tate and Lyle delivery price for granulated basis sugar was £213.50 (£210.00) a tonne for export.

International Sugar Agreement— (U.S. cents per pound fob and stowed Caribbean ports). Prices to May 14: Daily price 5.52 (5.33): 15-day everage 5.66 (5.68).

LONDON DAILY PRICE—Raw sugar £108.00 (\$149.50), up £3.00 (up \$4.50), a tonne for May-June-July delivery. White sugar \$161.00 up \$5.00.

Prices rose after Egypt purchased 56.000 tonnes of July whites against an original enquiry for only 20.000 tonnes, but the market failed to hold the gains, reports C. Czernikow.

44 per cent efigat 215, May 215. June 216. June/Sept 221. Nev/Mer 219.50 sellers. Pelleta Brazil effoat 217, June 215. July 216, May/Sept 217, Oct/Dec 228 sellers. Pélleta Argentine afigat cif Ghent 217.50, May 215, June 216. June/Oct 215.50 sellers. 860/1880. Cocos—(FFr per 100 kg): May 2240/ 255, July 2280 bld, Sapt 2338/2341, pec 2210/2215, Mar 2195/2205, May Doc. 2210/2215. Mar. 2135/2205, May. 2215 ask. July. 2220 ask.
Maize—(U.S. \$ per tonne): U.S. three yellow May 161, June 168.50, July 160, July/5ep. 165.50, Oct/Dec. 138 sellers. Argentine Plate affoat cif Ghent 165, May 164, June 161, July 162 sellers. Soyebeans—(U.S. \$ per tonne): U.S. two yellow Gulfports May 340.50, June 340. July 341.25, Aug. 338.50, Sapt. 316, Oct. 288.20, Nov. 285.80, Dec. 287.90, Lep. 241.50, Each. 295.60, Mar. 728.60 ROTTERDAM, May 15. ROTTERDAM, May 15.

Wheat—(U.S. \$ per tenne): U.S.
two soft red winter mid-June/mid-July
150, Aug 148.25, Sept 150.50. U.S. two
northern spring 14 per cent protein
May 186, June 184, July 182. Aug 176.50, Sept 175.50, Oct 177, Nov 178.
U.S. three hard amber durum May 187,
June 184, July 182, Aug 182, Sept 178,
Oct 180, Nov. 182. Canadian one
western amber durum May 156,
mid-May/mid-June 195.50, June 200,
Nov 197. Jan 291.60, Feb 295.60, Mar 298.60 sellers.
Soyameal—(U.S. \$ per tonne):

BRITISH COMMODITY PRICES SILVER

21,000 reflecting short covering, closing at £1,039. Aluminium racovered some composure and traded at £926 during composure and traded at £926 during at £922, Zinc traded within a narrow range, closing at £968, the backwardation widening to £32. Reported short covering saw Nickef up so £3,545, while Lead finished at £325. The provided an exception and having touched £9,110 sarlier, slumped to £8,930 before closing the lata Kerb at £8,970.

COPPER

Wheat Fut.lly, £135,65 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£129,50 |-1.18£ COPPER Official - Unofficial -1 High Grde £ £ £ £

Amelgameted Metal Trading reported that in the morning cash Higher Grade traded at £1.017.5, 18, three months £1.034, 34.5, 35, 35.5, 35, 34, 34.5, 35. Cathodes: Cash E1,018, 19. Kerb: Higher Grade: Three months £1,035, 34.50. Afternoon: Higher Grade: Three months £1,038, 39, 38.5, 39.5, 39, Cathodes: Cash £1,034. Kerb: Higher Grade: Three months £1,039, 38.5, 39, 39.5, 39. Turmover: 31,625 tonnes. U.S. Producera: 69-72 cents a pound.

Tin — Morning: Standard: Three months £3,020, 25, 30. High Grade: Cesh £3,130, three months £9,080, 75, 70. Kerb: Standard: Three months £9,030. Attamoon: Standard: Cesh £3,130, three months £9,035, 30. High Grade: Three months £9,070. Kerb: Standard: Three months £9,070, 15, 10, 9,000, 8,970, 40, 30, 40, 50, 60, 55, 60, 70. Turnover: 2,580 tonnes.

bar was fixed at the equivalent of \$373.30 per ounce, against \$371.25. Lead — Morning: Cash £318.5. 19, three months £323. 23.5. 24, 24.5, 25. Kerb: Three months £324.50, 24. Afternoon: Three months £325. 25.50, 26, 26.50, 25. Kerb: Three months £325.50, 25. Turnover: 12,825 tonnes. U.S. Spet: 25-28 cants a pound. the London bullion market. It s371.25. Spend at S372;373; and was fixed at S373.35 in the morning, and S373.25 in the afternoon. The metal touched a low of S372-372; LONDON FUTURES Month Yest'days + or Busines Cash...... 318,5-9 +10,5-319,5-20,5-7,5-3 months 384.5 +8.75, 326.5 +8.5 settlemt 319 +10,5 -

Zinc—Morning: Cesh £690, 89, three months £697, 68, 67, 66,50. Kerb: Three months £666, 65, 64, Afternoon: Cesh £688, three months £663, 65, 65, 50. Kerb: Three months £663, 50, 67, Turnover: 16,550 tonnes. U.S. Prime Western:: 52,75-53.75 cents a pound.

a.m. + or p.m. + or Official - Unofficial -; Cash...... 689-90 —2 698-9 +2.5 5 months 666-5 +1.75 665-5 —28 Settlem 5 690 —2 ALUMINIUM

Absminium—Morning: Three months 2320.5. 20. 19.5. 19, 19.5, 20, 19.5, 19. 18.5. 20, 19.5, 19. 18.5. 18. 17. 16. 18.5. 17. 17.5. Kerb: Three months £917, 17.5. 17. Afternoon: Three months £919, 20, 21, 20.50, 21, 22, 21.50, 21. Kerb: Three months £922, 22.50, 22. Tumover: 20.200 topnes.

Mickel — Morning: Three months £3.540, 35, 30. Kerb: Three months £3.530. Atternoon: Three months £3.540, 35, 30, 35, 40. Kerb: Three months £3.540. Turnover: 1.758 tonnes.

LMS—Silver (2.000 oz contract): Cash 537p (532.5p): three months 551.75p (647.25p). Turnover: 0 (1).

Turnover: 76 (102) lots of 10,000 ozs.
Morning: Large three months 651.5, 51.8, Kerb: large three months 651.5, 51.0, 51.5. Kerb: large three months 650.5, 51.0, 51.5. Kerb: large three months 650.5, 50.0.

SILVER | Buillon '+ or LM.E. + or per fixing - p.m. - Unoffial

Silver was fixed 0.35p sn qunca higher for spot delivary in the London builion market yesserday at 637.9p. U.S. cant equivalents of the fixing levels were: spot 883.5c. up 0.5c; three-month 909.5c, up 0.5c; aix-most: 388.2c. up 1.6c; and 12-month 994.7c, up 1.4c. The metal opened at 6331-636p (879-882c) and closed at 6341-637p (890-883c).

Chartist and trade buying, following a technical correction after the previous day's decline, lifted prices late in the day. Expectations of a 100,000-130,000 tonne world deficit for 1983-84 added to the butlish tone.

E per tonne

May ... 1933-35 + 29.0 1935-05

July ... 1961-52 + 13.5 1954-13

Sept ... 1960-61 + 9.0 1 1954-23

Dec ... 1852-53 + 6.5 1833-87

May ... 1815-16 + 3.5 1833-87

May ... 1811-16 - 8.5 1833-87

July ... 1810-20 + 4.0 1618-06

Sales: 5.325 (7.667) lots of 10 tonnes. ICCO Indicator prices—(U.S. centa per pound. Daily prices for May 14: 118.26 (121.78) – five-day average for May 15: 119.49 (119.80).

COFFEE

During an active session prices relied from mid-afternoon lows to the daily highs at the closing call, reports Drexel Burnhem Lambert. Following recent strength values came under a wave of profit-taking in the morning and a lower New York market prompted turther weakness before the lete rise.

COFFEE Yesterd'ys + or Business

Sales: 5,389 (6,848) lots of 5 tonnes. ICO Indicator prices (U.S. cents per pound) lob May 14: Comp daily 1979 148.07 (147.88): 15-day average 144.61

GRAINS Business done—Wheet: May 124.00-3.30, July 126.25-5.50, Sapt 107.60-7.35, Nov 110.60-10.20, Jan 113.95-3.40, Mar 116.90-6.30, Seles: 237 Lots of 100 tonnes. Barley: May 116.50 only, Sept 105.10 only, Nov 109.10 only, Jan 112.30-2.10, Mar untraded. Sales: 16 lots of 100 tonnes.
Old cop wheat came under heavy selling pressure in line with a weaker physical markst. New crops saw turther selling pressure mainly on wheat, reports Mulipaces.

BARLEY WHEAT May .: 125.50 -1.45 118.50 July ... 125.65 -1.10 -.. Sept. 107.40 -0.56 106.10 Roy ... 110.25 -0.60 109.15 Jan ... 113.40 -0.52 112.10 Mag ... 116.30 -0.55 114.85 -0.60 -0.25 -0.26 -0.20 LONDON GRAINS—Close (in order: buyer, seller, business). Australian cents per kg. Wheat: US Dark Northern Spring No. 1. 14 per cent: June 143.25, 1 July 141.25, Aug 139.25, Sept 138.25 sellers, transhipment East Coast. English feed, fob: May 128, Oct/Dec 114 sellers, East Coast. Macre: U.S. No. 3, Yellow/French: May 147 seller. East Coast. Barley: English feed, fob: May 155.50 seller, East Coast. June 125.60 paid, East Coast. Sorghum: U.S./Argentune/French: mid-May/midSUGAR

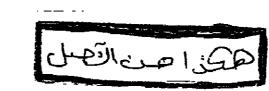
Sales: No 6 2,205 (1,936) lots of 50 tonnes.

63.80 65.20 67.25 70.65 72.30 73.30 64.50 65.50 67.80 88.85 71.20 72.45 73.85 Low 71.62 78.25 75.75 77.20 High 82,22 78,85 76,25 77,50 78.00 78.00 CRLDE OIL (LIGHT) gallons, \$/berrels High 30.71 30.82 30.85 30.83 30.83 30.83 30.81 30.82 Close 30.57 30.69 30.74 30.72 30.75 30.75 30.75 June July August Sept Oct Nov Dec Jan GOLD 100 troy oz. \$/tray oz High 373.5 376.9 Clone 374.7 376.4 380.0 383.6 391.3 399.5 407.9 416.4 425.5 434.5 454.4 464.4 425.3 434.3

82.20 80.85 81.50 82.65 83.65 84.45 85.50 85.45 Close 188.00 188.50 187.25 183.80 182.80 181.60 181.10 180.60 May July Sept Nov Jan March May Sept 89.90 88.10 85.00 83.50 82.70

COFFEE "C" 37,000lb, cents/lb LIVE CATTLE 40,000 lb, conts/fb COPPER 25,000 lb, cents/lb 54.30 High 63.35 Close Hills Close Hill Close Hill Close Hills Close Hills Close Hi Close 5190 52.45 54.25 57.45 58.30 67.87 58.25 56.10 56.35 56.25 56.60 56.65 56.95 52.10 52.55 54.75 54.90 54.45 54.50 53.32 57.32 57.70 66.00 56.15 58.52 52.06 54.76 54.45 Prev 82,34 79,25 78,64 77,30 78,25 78,36 76,50 Close 347.8 344.0 315.6 294.4 304.0 307.4 210.0 High 348.4 345.2 317.2 296.0 304.6 306.4 May July Sapt Dec March May July PORK 42,000 D.9. BELLIES 38,000 lb, cents/lb Close 84 87 84 57 83 52 75 47 74 40 76 20 77 20 76 50 Low Prev 90.55 30.59 30.64 30.70 30.68 30.73 30.76 30.73 30.78 30.73 30.78 30.73 30.78 30.73 Close High
Mary 84.87 65.507
Aug 84.87 65.07
Aug 85.82 64.00
March 76.40 74.80
Mary 76.20 76.40
July 77.20 77.50
Aug 76.50 75.50

COVABEANS 5,000 bu a Close High 848.9 880.0 850.4 864.0 834.2 846.0 774.4 782.4 732.6 786.0 744.0 746.4 764.4 767.0 767.4 772.0 Prev 373.6 375.5 379.0 382.6 390.2 396.3 406.8 475.0 424.0 433.3 4452.6 462.6 843.0 843.0 828.0 771.0 729.0 739.0 751.0 760.0 766.0 SOYABEAN MEAL 100 tons, 5/ton 149.0 194.8 195.8 192.0 184.5 186.5 186.5 181.0 HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons SOYABEAN OIL 60,000 Ib, cents/Rb AN OIL 50,000 Cluse High 39 15 39 35 38.33 38.35 38.32 37.57 34.75 35.25 31.45 32.00 29.30 30.30 29.25 29.30 29.30 29.50 29.00 29.50 Prev 38.86 38.75 36.98 34.85 31.75 30.10 29.60 ORANGE JUICE 15,000 lb, cents/lb WHEAT 6,000 bu mm, cente/60-lb bushel 81.40 PLATINUM 50 troy oz, \$/100 oz Prov 388.5 392.0 400.2 408.5 418.9 425.4



CURRENCIES, MONEY and CAPITAL MARKETS

months ago.

£ in New York (latest)

May 15 Prev. close

P.a. mentis P.a.

-2.85 0.93-0.95dfs -2.72

-0.21 0.03pm-0.10d -0.12

0.37 0.06-0.04 pm 0.15

5.61 4.45-4.30 pm 5.84

-0.27 1-33-, dis -0.14

1.49 42-34 pm 1.89

5.82 4.07-4.02 pm 5.82

-8.57 225-550dfs -11.06

-5.44 190-215 dis -5.25

-4.42 18-17 dis -3.88

-1.61 1.10-1.50dfs -0.59

-0.64 1.00-1.50dfs -0.59

8.19 4.66-4.61 pm ward premiums and

0.750206 1.04016

11.72 44 20.1365 11 58.4232 7 10.4796 4 (2.85429 5 3.82866 91-2 (8.80912) 1766.19 5 (40.433 8 9.16214 n/a 612 8 44402 4 (2.35740 201-2 (112.608

0.81283; 1.05181 15.7364 45.6168 8.19741 2.24098 2.52141

CURRENCY RATES

Spot \$1,3860-3870,\$ 1,3890-5900 1 month 0.32-0.34 dis 0.82-0.54 dis 5 months 0.92-0.95 disc) 92-0.94 dis 12 months 5.72-3.78 dis 3.77-3.83 dis

£ forward retes are quoted in U.S.

FOREIGN EXCHANGES

Dollar eases in thin trading

in a market showing little clear featureless trading. It opened at trend, Consequently the dollar moved quite sharply. It closed at \$1.3879, a fall of just touched a high of DM 2.7645 in 5 points from Monday. Against London but slipped back to finish at DM 2.7495 down from DM 3.8175 from DM 3.8275 and 2.7570. Barly New York trading SwFr 3.16 compared with saw it bounce back above DM 2.76 SwFr 3.1650. It was also lower

Shorte

Capple

HKETS

saw it bounce back above DM 2.76 but there appeared to be a lack of follow through demand and it slipped below DM 2.75.

There was probably some hesitation about pushing the dollar firmer with the market seeing little further mileage to be gained at the moment on the possibility of higher U.S. interest rates. A 1.4 per cent rise in U.S. industrial production failed to provide any sustained impactus. provide any sustained impetus. The dollar closed in London at SwFr 2.2750 down from SwFr 2.2785 and FFr 8.4625 compared with FFr 8.4650. It was a little firmer against the Japanese yen however at Y231.25 from Y231.25. On Bank of England figures the On Bank of England figures, the dollar's trade weighted index eased to 1315 from 1317. STERLING — Trading range against the dollar in 1984 is 1.4940 to 1.3850. April average 1.4226. Trade weighted index 79.9 from 79.9 at noon and 80.1

The dollar was slightly easier in London yesterday in very nervous trading. The lack of volume indicated a reluctance by some major banks to participate in a market showing little clear overall in rather quiet and in a market showing little clear trading. It opened at the first purpose of the clear trading. It opened at SSm at the fixing when the dollar trading and compared with 89.1 on Monday and 83.9 firm at the Frankfurt fixing, but was little changed on balance within the European Monetary System. The Bundesbank sold SSm at the fixing when the dollar trading in the morning and compared with 89.1 on Monday and 83.9 firm at the Frankfurt fixing, but was little changed on balance within the European Monetary System. The Bundesbank sold SSm at the fixing when the dollar trading in the morning and compared with 89.1 on Monday and 83.9 firm at the Frankfurt fixing, but was little changed on balance within the European Monetary System. SwFr 3.16 compared with SwFr 3.1650. It was also lower against the French franc at FFr 11.74 from FFr 11.7525 but improved in terms of the Japanese yen to Y322 from Y321.

D-MARK — Trading range against the dollar in 1984 is 2.8425 to 2.5535. April average 2.6435. Trade-weighted index 125.5 against 125.5 six months

125.0 against 125.5 six

was little changed on balance within the European Monetary System. The Bundesbank sold S8m at the fixing when the dollar declined to DM 2.7537 from DM 2.7675 on speculation that the Bundesbank council may increase the Lombard rate from 5.5 per cent at its next meeting tomorrow. Fundellar actor had tomorrow. Eurodollar rates had a slightly softer tone, but trading was quiet during the morning, awaiting the U.S. industrial production figures for April. Sterling fell to DM 3.8170 from DM 3.8280, and the Swiss france to DM 1.2102 from DM 1.2116.
Within the EMS the French
franc rose to DM 32.550 per 100
francs from DM 32.540, and the
Danish krone to DM 27.435 per

THE DOLLAR SPOT AND FORWARD

tz. 2.2735-2.2950 2.2745-2.2755 1.58-1.53c pm † UK and Iraland are quoted in U.S. currency. discounts apply to the U.S. dollar and not to t Belgian rate is for convertible francs. Financ

2.7470-2.7645 139.50-140.40 153.80-154.30 1695-1701¹ 7.8350-7.8610 8.4500-8.4880 8.1050-8.1300 230.70-232.75 19.36-19.41 2.2735-2.2850

CURRENCY MOVEMENTS

79.9 131.5 88.8 115.3 89.8 77.9 125.0 146.0 48.3 158,2

-10.8 +19.7 -3.1 +3.6 -11.3 -6.3 +7.9 +10.6 +14.6 -15.3 -13.0 +14.0

1.05-1.01y pm 7.80-7.30gro pm

Canadian 8...
Austria Sch.;
Beigian Fr....
Danieh Kr....
D'mark
Guilder
Franch Fr....
Lira
Yen
Norwan Kr...

EMS EUROPEAN CURRENCY UNIT RATES

	letinea aetes	ageinst ECU May 15	centrel	adjusted for divergence	Divergence limit %
Belgian Franc		45.6162	+1.59	+1.51	±1.5447
Danish Krons		B.19741	+D.88	+0.67	±1.8425
German D-M		2.24098	-0.04	-0.12	±1.0642
French Franc	6.87456	6.88306	+0.12	+0.04	÷1.4052
Dutch Guilder	2.52595	2.52141	-0.18	-0.26	±1.4964
lrish Punt .	0.72569	0.728998	+0.46	+0.38	±1.5699
italian Lira ,	1403.49	1380.79	-1.66	-1.66	±4.1505
C	hanges are for E reak currency. A	CU, therefore polytoment calc	positive ch ulated by	ange denotes Financial Time	a 15.

THE POUND SPOT AND FORWARD

p.a. months

-2.85 0.93-0.95dia

-2.51 1.13-1.21dia

-3.31 3'-3'- pm

-2.70 47-87 dis

-1.82 4'-5'- dis

-3.09 0.78-0.95dia

-1.43 350-885dia

-8.43 4'0-430 dis

-6.37 38-39 dis

-4.48 9-9'- dis

-1.66 3'-4'- dis

-1.66 3'-4'- dis

-4.42 4.13'- pm

1.84 18'-13'- pm

5.83 4'-4'- pm -2.72 -2.61 3.14 0.32-0.34c dis 0.34-0.41c dis 100-270c dis 140-160c dis 11-14 lire dis 213.30-213.50 2353\-2355\
10.87\-10.85\11.73\-11.74\11.25-11.26

OTHER CL	JRRENCIE	S	
May. 15	£	. 8	1
		40 - 7 40 40	

Note Rates 7.55.60.55.73 40.18-40.19 Metria. 1.5438-1.5445-1.1180-1.1125 Beigium. 2.057.5-2.068.7 1.485-1.482 Denmark 150.10-150.50 108.30-108.50 Germany 150.10-150.50 108.30-108.50 Germany 182.75° 88.70° Japan.... 98.70° Japan... 98

EXCHANGE CROSS RATES

May 15	Pound Strling	U.S. Dollar	Deusche m'k	JapanesoYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Fran
Pound Sterling	- 0.721	1,389	5.818	322,0	11.74	3.160	4,303	2555.	1,796	77,80
U.S. Coller		1.	. 2,750	231,9	8.463	2.275	3,100	1698.	1,294	56,08
Deutschemark	0.262	0.363	11.86	83.35	3,075	0,828	1,127	616.B	0.470	20,58
Japanese Yen 1,000	3,106	4.309		1000,	36,46	9,814	15.36	7313.	5,576	241,6
French Franc 10	0,852	1.182	5,252	274.5	10.	2.693	3,565	2006.	1,529	66.27
Swiss Franc	0,516	0,439	1,208	101.9	8,716	1,	1,362	745,2	0,568	24,62
Dutch Guilder	0.232	0.322	0,887	74,84	2,729	0.754	1.827	547.3	0.417	18,08
Italian Ira 1 000	0.425	0.589	1,621	156.7	4,986	1.842		1000	0.763	83,04
Canadian Dollar	0,557	0,773	2.126	179.3	5,639	1.760	2.396	1311.	2,30B	43,33
Bulgian Franc 100	1,285	1,783	4.907	413.9	15,09	4.062	6,530	3027.		100,

EURO-CURRENCY INTEREST RATES (Market closing rates)

May 15 Ste		U.S. Canad Icilar Dolla			Swiss ranc	D-mark	French Franc	jtalian Ura	Belgia Conv.	n Frenc Flo.	Yen	Danish Kroner
7 days' notice 8, Month	7-714 10 2-8/4 11 3-94 11 3-94 12	14:1012 · 912:1 5g:107g · 101g:1 7k-117g · 103g:1 14:127g · 115g:1 14:1212 ; 1215 1 7g:131g , 1234-1	05a 614 514 012 514 514 114 614 614 873 673 673	1 3	56-154 56-154 13-312 16-312 16-414 14-438	51g-51g 51g 51g 51g 51g 51g 61g 51g-65g 61g-65g	113g-115g 115g-117a 113g-12 123g-124g 133g-1334 141g-143g	15-16 15-16 15-18-15-6 15-4-16-4 16-4-16-5 17-17-3	1012-11 11-1112 1114-1114 1114-1214 1214-1214 1214-1214 1214-1314	1014-1034 1136-1158 1156-1178 1176-1218 12-1214 1218-1258	53g 512 512 55g 6-61g 614-63g 613-615 619 619	714-814 912-10 1018-1058 1012-11 1014-1114 1114-1114

Asian \$ (Singapore closed). Long-term Eurodollars two years 13½-13½ per cent; three years 13½-13½ per cent; four years 13½-14 per cent; five years 14-14½ per cent nominal closing rates. Short-term rates are call for U.S. banks and Japanese yen; two days' notice.

MONEY MARKETS =

UK rates slightly easier

cent before coming back to

The Bank of England forecast a shortage of around £150m with factors affecting the market including maturing assistance

UK clearing banks' base lending rate 9-9; per cent (since May 10 and 11)

and a take-up of Treasury bills together draining £157m and the unwinding of previous sale and repurchase agreements a further £218m. In addition banks brought forward balances £70m below On the other hand target. On the other hand Exchequer transactions added £250m and there was a fall in the note circulation of £65m.

The Bank gave assistance in

FT LONDON INTERBANK FIXING

(11.00 c.m. May 15) 3 months U.S. dollars offer 11 16/16 bid 11 18/18 6 months U.S. dollars

bid 19 14 he figing rates are the arthmetic pane, rounded to the nearest one subsent, of the bid and offered rates in 1900, and quoted by the market to reference banks at 11 a.m. such orking day. The banks are National featurements fants. Bank of Tokyo, earsche Bank, Banque Nationale days and Aforgan Guaranty Trust.

UK interest rates were slightly easier yesterday although the morning of £167m, having the market remained nervous about future trends in interest rates. Three-month interbank money was quoted at 9½-9½ per cent, little changed from 9½-9½ per cent, little changed from 9½-9½ per cent, month eligible bank bills were bid at 9 per cent, unchanged from Monday. Overnight interbank money opened at 6½-7 per cent, linder at 9 per cent, unchanged from Monday. Overnight interbank money opened at 6½-7 per cent, land touched a low of 4½ per cent was no further interbank money opened at 6½-7 per cent, land touched a low of 4½ per cent was no further interbank money opened at 6½-7 per cent, land touched a low of 4½ per cent was no further interbank money opened at 6½-7 per cent was no further interbank money opened at 6½-7 per cent was no further interbank money opened at 6½-7 per cent, land touched a low of 4½ per cent was no further interbank money opened at 6½-7 per cent, land touched a low of 4½ per cent was no further interbank money opened at 6½-7 per cent, land touched a low of 4½ per cent was no further interbank money opened at 6½-7 per cent, land touched a low of 4½ per cent was no further interbank money opened at 6½-7 per cent, land touched a low of 4½ per cent was no further interbank money opened at 6½-7 per cent, land to was per lead to a shortage little incentive to leud in the fitted incentive to leud in the fitte

MONEY RATES

May 15	Frankfurt	Paris	Zurloh	Amst'dam	Tokyo	1 Málan	Brussels	Dublin
vo months	5,85-6.00 5,95-5.10 6,1 6,25 6,25-6,4 5,5	11 lg 117g-12 12-12 lg 12-12 lg 12-13-15-15 12 lg-12 lg 11 lg 11 lg	134.834 5-6-6-6 559.534 — —	51g-556 51g-6 6-3-61g 63g-61g 57g	5.71875 6.09375 6.21875	161g-161g 161g-161g 165g-17	9,25 1136-1176 : 1176-1216 1214	12 lg-12 %

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

May 15 1984	Sterling Certificate of deposit	interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	956 812 9 8 6 9 14 9 16 9 16 9 14	61: -71: 61: -71: 81: -81: 81: -91: 91: 91: 95: 91: 97: -10 10: 10:4	614-812 778-8 814-818 812 913 913 1018	5.7 ————————————————————————————————————	4-7 		844 812 813	9 & 9 & 9 & 9 & 9 & 9 & 9 & 9 & 9 & 9 &		946 946 956 956 956

11.0-11.1 | 914-91g 11.5-11.6 | 958-97g 11.75-11.85 | 97g-101g 12.15-12.75 | 1014-101g LONDON INTERBANK FIXING

12.2-12.4 12.6-12.9 10-4-21

MONEY RATES NEW YORK (Lun

Treasury Bills One year Treasury Bonds

FINANCIAL FUTURES

Volume declines

100 from DM 27.300. The Dutch guilder was unchanged at DM 88.870 per 100 guilders, but the Belgian franc fell to DM 4.9110 per 100 francs from DM 4.9130. Trading volume continued to opened weaker, in line with the decline on the London International Financial Futures Exan opening level of 88.04 the change as the recent mood of contract fell to a low of 87.96 Trading volume continued to decline on the London International Financial Futures Example as the recent mood of panic went out of the market. The long term gift contract was more active than on Monday however, with June delivery opening slightly firmer at 104-11, compared with a revised increase when June gift futures failed to break through a technical reviserance of the U.S. industrial production figures, which however, with June delivery opening slightly firmer at 104-11, compared with a revised increase of 0.5 per cent in March. This was followed by crease when June gift futures failed to break through a technical reviseance level of 104-15. ITALIAN LIRE - Trading range against the dollar in 1984 is 1,720.75 to 1,591.0. April average 1,635.90. Trade-weighted 48.3 against 49.5 slx The lira had a weaker tone at the Milan fixing, but gained ground against the dollar, sterl-ing, and the Japanese yen. The ing, and the Japanese yen. The dollar fell to L1698 from L1700, and the pound to L2,353.30 from L2,354.30. On the other hand members of the EMS were firm, rising to L516.10 from L515.93: the French franc to L200.61 from L200.32: the Belgian franc to L30.26 from L30.252; the Dutch guilder to L547.58 from L547.35; and the Danish krone to L168.43 from L168.31. The Bank of Italy sold \$10.7m of the \$28.2m official traded at the failed to break through a technical resistance level of 104-15.

Movements were generally in line with the cash market and became influenced by an easier trend on hopes that the Government Broker wight level his ment Broker might lower his price to sell some tap stock. Selling gathered pace ahead of the opening of U.S. markets, touching a low of 103-26 on expectations of a sharp rise in U.S. April industrial production. \$28.2m official traded at the fixing, but did not intervene against the D-mark. Some bear covering led to a late revival however, and the contract closed at 104-12, compared with 104-10 previously.

June Eurodollar futures

LONDON

at 88.05, slightly above the opening level and down only 0.3 on the day. Three-month sterling deposits

opened little changed, and showed a firmer tone on hopes a rise in London clearing bank base rates can be avoided. The stock futures contract began firmer, and continued to improve on an absence of volume to recent selling in the U.S. equity market. Cash prices rallied to finish at the best levels of the day, and futures followed, but finished slightly below the day's peak,

FT-SE 100 INDEX E25 per full inde

Close High Low 107.85 107.90 108.90 108.95 108.95 108.90 108.90 108.96 109.80 978 (503) 5 day's open int 573 (5 | Close High Low Frey | June 88.05 82.08 87.96 88.08 87.96 88.08 87.96 88.08 87.96 88.08 87.96 88.08 87.96 86.93 86.93 86.93 86.93 86.93 86.93 86.93 86.93 86.93 86.93 86.93 86.93 86.93 86.93 86.93 87.94 88.57 kms 96.29 96.29 96.29 Previous day's open int 14,102 (14,294) Frev 88.08 87.39 86.93 86.57 86.25 **CHICAGO** THREE-MONTH STERLING DEPOSIT \$250,000 points of 100% STERLING (IMM) \$6 per £ June 90.86 50.68 90.59 90.60 Sept 90.14 50.15 90.09 90.17 Dec 29.70 89.70 89.68 89.68 89.64 March* 89.30 89.30 89.30 89.30 89.30 June* 88.97 — 88.89 Volume 815 (1.069) Previous day's open int 8,345 (8,117) *2500,000 points of 100% Latest High Low 1.3930 1.3980 1.3860 1.4020 1.4055 1.3955 1.4115 1.4145 1.4040 1.4220 1.4240 1.4135 Latest High I June 1.3900 1.3960 1.3 Sept 1.4020 1.4955 1.3 Dec 1.4115 1.4145 1.4 March 1.4220 1.4240 1.4 GNMA (CBT) 8% \$100,000 High 66-14 65-06 64-05 63-13 62-25 Letest 66-10 65-03 64-05 63-10 62-22 20-YEAR 12% NOTIONAL GILT 250,000 32nds of 100% June Sept Dec March June Sept Dec 32nds of 100%

Close High Low Prev
June 104-12 104-15 103-26 104-10
Sept 103-25 103-25 103-29 103-24
Dec 103-07 — 103-07
March 102-27 — 102-17
June 102-17 — 102-17
Volume 5,140 (2,531)
Previous day's open int 6,209 (6,415)
Basis quote (clean cash price of 13½% Treesury 2003 less equivalent price of near futures contract) 16 to 24 (32nds) Low Prev March 63-10 53-13 53-04 103-28 104-10 June 62-22 52-25 52-16 103-09 103-24 Sept — 103-07 Dec 61-24 62-00 61-19 102-27 U.S. TREASURY BONDS (CBT) 8*, 5100,000 32nds of 100% price of ne 24 (32nds) U.S. TREASURY BILLS 51m points of 100% Latest High 89.58 89.60 88.81 88.84 88.06 88.07 87.80 87.80 87.54 87.33 87.14 87.14 Latest High
June 89.58 99.69
Sept 88.81 58.84
Dec 88.39 88.41
March 88.06 88.07
June 87.80 57.80
Sept 87.54 87.56
Dec 87.33 87.33
March 87.14 97.14
CERT. DEPOSIT (IMM)
Sim points of 100% ns (1,003) day's open int 2,780 (2,915) DEUTSCHE MARKS DM 125,000 S per FRANCS SwFr 125,000 \$ per Estest High 88.25 88.28 87.51 87.53 87.04 87.07 86.67 86.69 Jume Sept Dec March THREE-MONTH EURODOLLAR (IMM) \$1m points of 100% JAPANESE YEN Y12.5m \$ per Y100 Latest 87.81 87.06 96.57 86.19 85.89 High 87.83 87.08 86.60 86.22 85.89

NOTICE OF PREPAYMENT



The Bank of Yokohama Limited

(Incorporated in Japan with Limited Liability)

U.S. \$10,000,000

Floating Rate Certificate of Deposit

No. 010021-010030 issued on 23rd June, 1982. Maturity 27th June, 1985. Callable in June, 1984.

Notice is hereby given in accordance with Clause 5 of the Certificates of Deposit (the "Certificates") that pursuant to Clause 3 of the Certificates that The Bank of Yokohama Limited (the "Bank") will prepay all the outstanding Certificates on 25th June, 1984 (the "Prepayment Date"), at Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificates at the London Branch of the Bank of Yokohama Limited,

99 Bishopsgare, London EC2M 3XD. interest will cease to accrue on the Certificates on the

16th May, 1984 By: IBJ International Limited, Agent Bank

CITICORP OVERSEAS FINANCE CORPORATION N.V.

£100,000,000 GUARANTEED FLOATING RATE NOTES DUE 1991

(Incorporated with limited liability in the Netherlands Antilles)

Unconditionally guaranteed by

CITICORP

Notice is hereby given that the Rate of Interest has been fixed at 91% and that the interest payable on the relevant Interest Payment Date 15 August, 1984 against Coupon No. 2 in respect of £50,000 nominal of the Notes will be 1,178.28 and in respect of £5,000 nominal of the Notes will be 117,83.

CITIBAN(

16 May, 1984, London By: Citibank, N.A. (CSSI Dept), Agent Bank

U.S.\$300,000,000—SERIES 24

ASESORES DE FINANZAS, S.A. DE C.V.

(Organised under the laws of the United Mexican States)

Short term Notes Issued in Series Under a U.S.\$300,000,000 Note Purchase Facility Agreement Guaranteed by Citibank, N.A.

Notice is hereby given that the above Series of Notes issued under a Note Purchase Facility Agreement dated August 12, 1982, will carry an Interest Rate of 12, 2 per annum. The Maturity Date of the above Series of Notes will be November 16, 1984.

May 16, 1984, London By Citibank, N.A. (CSSI Dept.), Agent Bank

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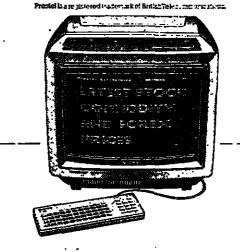
Send to: CitiService, Woodsted House, 72 Chertsey Road, Woking, Surrey GU21 58].

ADDRESS

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FT16/5





BARCLAYS OVERSEAS INVESTMENT COMPANY B.V.

U.S.\$350,000,000 Guaranteed Floating Rate Notes due 2004 ("the Notes")

In accordance with the Trust Deed dated 2nd March, 1984 ("the Trust Deed") made between Barclays Overseas Investment Company B.V. ("the Company"), Barclays Bank International Limited and Alliance Assurance Company Limited, constituting the Notes, the Company hereby gives notice that completion of the distribution of the Notes took place on 3rd April, 1984 and that accordingly 2nd July, 1984 has been determined as the Exchange Date as defined in Clause 4(B) of the Trust Deed.

Persons entitled to delivery of any of the Notes are accordingly advised to obtain from the specified office of any of the Paying Agents, the office of CEDEL S.A. in Luxembourg or the office of Morgan Guaranty Trust Company of New York as operator of the Euro-clear System ("Euro-clear") in Brussels, the form(s) of the relevant certificate(s), to be completed, stating that such Notes are beneficially owned by persons (a) who are not (i) U.S. persons (as defined in the Trust Deed) or (ii) persons who have purchased them for reoffer or resale to any U.S. person or (b) who are U.S. bank branches (as defined in the Trust Deed). Completed certificates should be delivered to the office of CEDEL S.A. in Luxembourg, or to the office of Euro-clear in Brussels for forwarding to CEDEL S.A., prior to, on or after the Exchange Date. Definitive Rearer Notes with Coupons and definitive Registered Notes will be available on and after the Exchange Date in exchange for such certificates.

RABCLAYS OVERSEAS INVESTMENT COMPANY B.V.

16th May, 1984.



Malayan Banking Berhad

US \$60,000,000

Negotiable Floating Rate Dollar Certificates of Deposit due 1987 Tranche C In accordance with the provisions of the Certificates, notice is hereby given that the rate of interest for the

been established at 121/s per cent per annum. The interest payment date will be 17th August 1984. Payment, which will amount to US \$7,746.53 per Certificate, will be made against the relative

period from 17th May 1984 to 17th August 1984 has

Bank of America International Limited

\$250,000,000

J. P. Morgan International Finance NV.

Guaranteed Floating Rate Subordinated Notes Due 1997

For the three months 16 May 1984 to 16 August 1984 the Notes will carry an interest rate of 12% percent perannum.

Interest payable on the relevant interest payment date, 16 August, 1984 against Coupon No. 9 will be U.S.\$311.46. Bv: CITIBANK, N.A., London

Agent Bank

INTERNATIONAL CAPITAL MARKETS

World Bank joins in Mort Sk Domant 5'4 99- 0'to Nat West-Perp 5 83 0'to Nates Dy 5'to 94 0'to Desir Land 5'to 99 0'to Conversiond Coal 5'to 96 0'to Conversion Stragen 5'to 2024 0'to Takenjin 5'to 94 5 0'to Colombia Company micro channess The 99'7 99'4 11/8 11 11.04 99'4 102'9 10/5 5 5.00 98'3 99'4 22/8 10.56 10.67 97'4 98'4 11/8 11.19 11.43 99'4 99'7 9/11 11'4 11.55 98'4 99 15/8 10.66 10.86 97'1 98'4 23/8 10.56 10.78 97'1 98'4 12/8 10.56 10.78 97'1 98'4 15/9 10'4 10.90 FT INTERNATIONAL BOND SERVICE \$60m Brazilian loan nd Bid Offer 98 98% 98% 98% 95% 99% 94% 95 99 99% -1 -1 -1:2 -1:2 -0:4 The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for May 15. BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT. Average price changes On dev D on week -814 H.S. BOTLAR STRAKGATS STRAKGATS Abasta Housing 11% 94 100 American Savings 12 88 125 According 100 11% 90 100 According 11% 90 100 According 95 300 According 95 300 According 95 300 According 10% 96 100 According 10% 90 100 Boneticial D/S Fin 12 91 100 Commod 10% 88 100 Commod 10% 88 100 Commod 10% 88 100 D.N.C. 11% 91 WW 50 Domount Kongdoon 12% 93 100 Commod Kongdoon 12% 93 150 Domount Kongdoon 12% 93 150 Domount Mirces 11% 93 150 Doubt Mirces 11% 93 150 Doubt Mirces 11% 93 150 E.C. 11% 99 50 IN LONDON Final details of the facility are THE WORLD Bank is to take part OTHER STRAUGHTS British Cal Hyd 12 93 CS 125 Brit Left 70 12 19 89 CS 70 Causian Oct 12 2a 85 CS 80 E.L.B. 12 2a 91 CS 80 Latera 12 2a 95 CS 80 Latera 12 2a 95 CS 80 Montreal Cry Of 12 90 CS 50 World Bank 12 24 90 CS 75 Austrian Reg 10 2a 92 ES 100 GTE Fin 10 2a 92 ES 100 GTE Fin 10 2a 92 ES 100 Auro Bank 8 89 FL 100 Bit Mass 8 Hope 84a 89FL 100 Bit Mass 8 Hope 84a 89FL 100 Dit Mass 1 Hope 84a 89FL 100 Dit Mass 1 Hope 84a 89FL 100 Dit Mass 8 FL 100 Salvey 8 Cin 14 40 Dominant 11 4a 86 FF 200 Air Canada 11 4a 86 FF 200 Air Canada 11 4a 86 FF 350 Demonst 11 19 84 E 50 Internal 11 14a 98 F 50 Internal 11 14a still under negotiation but particiin a \$60m equivalent loan facility to week Year | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1,184 | 1, pants in the facility are expected to 51376 5376 51376 5 a leading Brazilian mining comp-STRAIGHTS Affect Characal 7th 94... receive an annual fee of 1% per cent any in what will be its first ever coand the operation is to be included financing operation for a country whose debt is being rescheduled. in the \$6.5bn new money to be pro-vided by commercial banks for Bra-It is to take a stake of \$7.7m in a guarantee facility for Companhia Vale do Rio Doce being assembled by Lloyds Bank International to finance further development of the Carajas iron ore project. The facility is designed to guarantee zil this year. Participation of the World Bank means that the maturity of the facility can be extended by about six months from the nine years otherwise allowed for under Brazil's exty is designed to guarantee a loan being provided by the European Coal and Steel Community. isting arrangements with commer cial bank creditors. Samurai bond debut for **United Technologies** UNITED Technologies made its de-but in the Samurai bond market yesterday with a Y15bn, five-year Proviou 98,971 issue bearing a coupon of 7 per cent and led by Daiwa Securities. 1984 0ffer Cder Cape | 15/9 | 10.51 | 15/9 | 10.51 | 15/9 | 10.51 | 15/9 | 10.51 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 15/9 | 1 99.6 per cent which gives an annual yield of 7.222 calculated on the Ascent which is relatively high for a U.S. corporate name and reflects the large size of the bond as well as the recent fall in secondary market ociation of International Bond Dealers' (AIBD) basis. It was one of only two new bonds to be launched on international markets yesterday as activity quietened ahead of this week's AIBD annual meeting in Fixed-rate dollar bonds again slipped yesterday, although some dealers detected professional short-The other was a SwFr 200m, 10year issue for Consolidated Foods covering in the afternoon. Average of the U.S. Led by UBS, this deal **OVER-THE-COUNTER** Sement Sensor 5 Scaler 5 Sensor 5 Senso 3 143552 7 25 67 84 14551 39 61 96 52 12 145 67 197 12 84 33 56 198 21 145 67 197 12 84 33 56 198 31 56 21 4.4.4 Continued from Page 38 1190 27 18 302 108 286 74 27 37 28 180 6 78 20 1 68 11 64 5 5 372 373 94 94 17 174 95 10 30 30 71 71 8 8 - 12 + 12 + 12 - 12 - 13 260 Y-Z 113 115 114 +5 113 114 144 +5 115 17 17 17 28 28 28 28 17 184 164 114 +5 10 104 104 104 13 124 124 +5 54 54 54 Xebec s Xeor Xidex s Ylon-Fi ZenLbB Ziegler Zyad Zondim Zymas Zymas Zymas 52 88 10 1 50

AMERITECH I

AMERICAN INFORMATION TECHNOLOGIES

AMERICAN INFORMATION TECHNOLOGIES CORPORATION Chicago, Illimois, U.S.A.

Listing of the Common Stock on the Swiss Stock Exchanges

The initial listing of the Common Stock of Ameritech on the Stock Exchanges of Basel, Zurich and Geneva has been approved as requested. The shares will be available at the Swiss Stock Exchanges exclusively in the form of original certificates issued in the names of SOCIETE DE BANQUE SUISSE, UNION BANK OF SWITZERLAND and CREDIT SUISSE, duly endorsed to bearer. The first trade on the above exchanges was executed on April 27, 1984.

Basel and Zurich, May 16, 1984

SWISS BANK CORPORATION
UNION BANK OF SWITZERLAND CREDIT SUISSE



Rell Atlantic

BELL ATLANTIC CORPORATION

Listing of the Common Stock on the Swiss Stock Exchanges

The initial listing of the Common Stock of Bell Atlantic on the Stock Exchanges of Basel, Zurich and Geneva has been approved as requested. The shares will be available at the Swiss Stock Exchanges exclusively in the form of original certificates issued in the names of SOCIETE DE BANQUE SUISSE, UNION BANK OF SWITZERLAND and CREDIT SUISSE, duly endorsed to bearer. The first trade on the above exchanges was executed on April 30, 1984.

Basel and Zurich, May 16, 1984

SWISS BANK CORPORATION
UNION BANK OF SWITZERLAND CREDIT SUISSE



NYNEX Corporation New York, New York, U.S.A.

Listing of the Common Stock on the Swiss Stock Exchanges

The initial listing of the Common Stock of NYNEX Corporation on the Stock Exchanges of Basel, Zurich and Geneva has been approved as requested. The shares will be available at the Swiss Stock Exchanges exclusively in the form of original certificates issued in the names of SOCIETE DE BANQUE SUISSE, UNION BANK OF SWITZERLAND and CREDIT SUISSE, duly endorsed to bearer. The first trade on the above exchanges was executed on April 30, 1984.

Basel and Zurich, May 16, 1984

SWISS BANK CORPORATION
UNION BANK OF SWITZERLAND CREDIT SUISSE

PACIFIC TELESIS.

Group

San Francisco, California, U.S.A.

Listing of the Common Stock on the Swiss Stock Exchanges

The initial listing of the Common Stock of Pacific Telesis on the Stock Exchanges of Basel, Zurich and Geneva has been approved as requested. The shares will be available at the Swiss Stock Exchanges exclusively in the form of original certificates issued in the names of SOCIETE DE BANQUE SUISSE, UNION BANK OF SWITZERLAND and CREDIT SUISSE, duly endorsed to bearer. The first trade on the above exchanges was executed on April 30, 1984.

Basel and Zurich, May 16, 1984

SWISS BANK CORPORATION
UNION BANK OF SWITZERLAND CREDIT SUISSE

